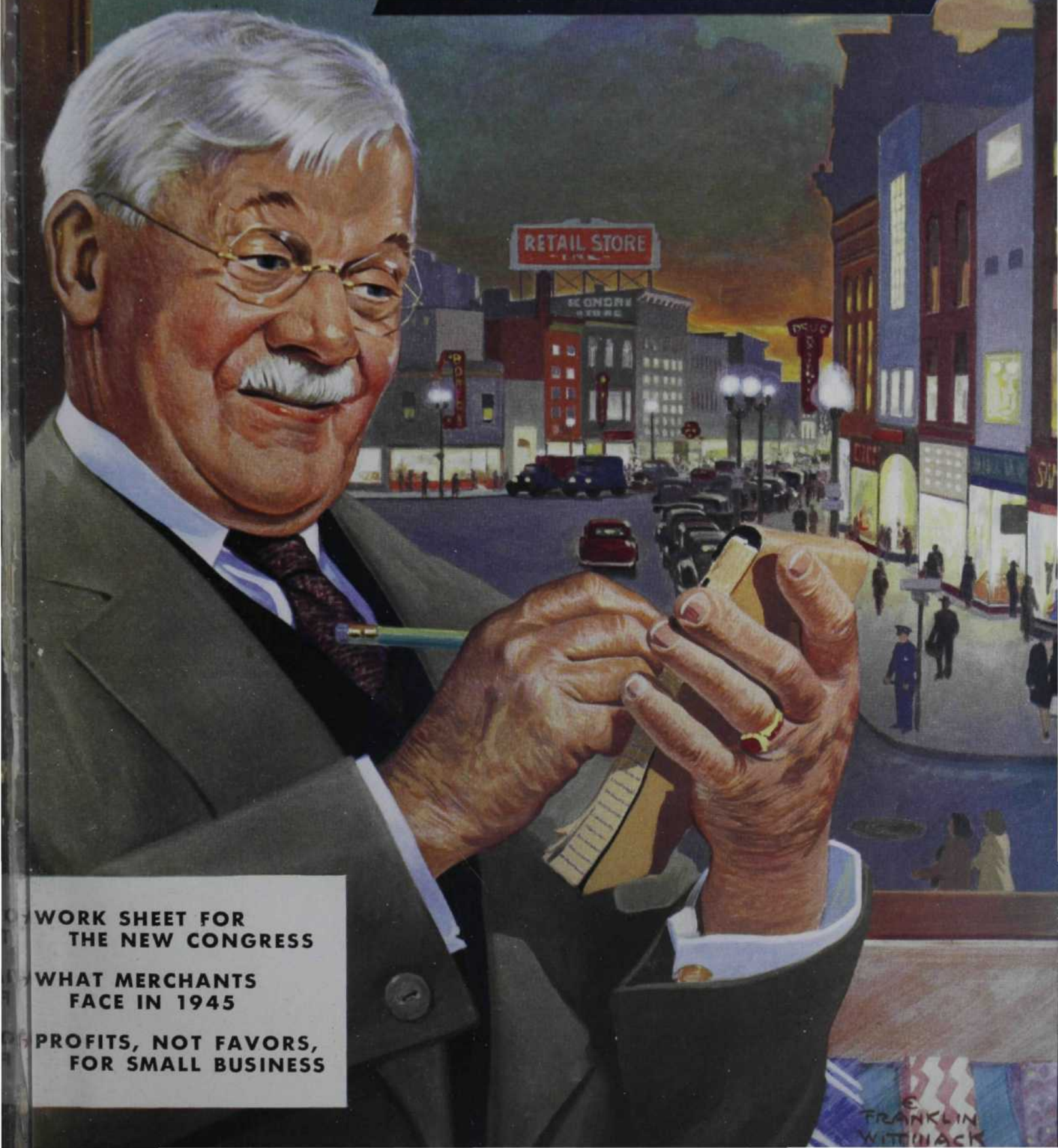


January *NATION'S* 1945

# *BUSINESS*



WORK SHEET FOR  
THE NEW CONGRESS

WHAT MERCHANTS  
FACE IN 1945

PROFITS, NOT FAVORS,  
FOR SMALL BUSINESS

FRANKLIN  
WITWACK



# EYES ON TOMORROW

On drawing board and blueprint, in research laboratory and on testing machine you will find the shape of things-to-come in railroading.

We know the American public expects great things—new, modern trains; daring designs; exciting and novel innovations; new power; new speed; new riding qualities; new comforts and luxuries; new

services and ideas in travel, in shipping . . . in a word, transportation values beyond anything known or experienced before.

In its planning, the Pennsylvania Railroad has these things in mind—for it is a tradition of this railroad to look ahead, and apply its research to finding new ways to serve the public better!

★ 49,917 entered the Armed Forces ☆ 453 have given their lives for their Country  
BUY UNITED STATES WAR BONDS AND STAMPS

## PENNSYLVANIA RAILROAD

*Serving the Nation*





*In war or peace*  
**B.F. Goodrich**  
**FIRST IN RUBBER**



## Rayon underwear for truck tires

*A typical example of B. F. Goodrich development in rubber*

**B**IG truck tires traveling at high speeds under heavy loads have always had a tendency to overheat. Tires get hotter than boiling water, may reach a temperature of 300°, sometimes even burst into flame. Yet temperatures over 240° are dangerous, cause tires to bruise easily, often to blow out.

Ordinary tire fabric is woven with threads criss-crossing the cords. Under load the threads saw against the cords and cords rub against each other, causing more heat to be generated.

B. F. Goodrich engineers developed a method for making cord fabric with-

out any cross threads! Each cord as it comes from the creel room shown in the picture is dipped in rubber and then evenly spaced, 34 to the inch, made into a sheet of rubber-covered fabric. Cords just can't touch each other.

But with synthetic rubber, even this did not solve the overheating problem. Synthetics get hotter than crude rubber. It was known that tires made with rayon cord ran cooler. So B. F. Goodrich men went to work, overcame the problems of controlling moisture content, elasticity and stretch in rayon cord, developed a way to

make rayon cord fabric without any cross threads.

No other tires are made in this way — using rayon cord fabric without cross threads. But all B. F. Goodrich large-size truck tires are made by this new process. They are less susceptible to bruises and blow-outs. They use less rubber but actually last longer.

B. F. Goodrich research like this is constantly improving not only truck tires but tires for passenger cars, airplanes, farm and industrial equipment. The B. F. Goodrich Company, Akron, Ohio.

**B.F. Goodrich**  
**Truck & Bus Tires**



# A Special Appeal

## TO ALL MEMBERS OF STATE LEGISLATURES IN SESSION THIS JANUARY



WILL OUR VICTORIES in Europe and the Pacific mean enforcement of old State laws which would shackle and cripple the role motor transport must play in building a postwar era of prosperity?

This is the important question which can best be answered by you—the State Legislators in session this January. For in your hands rests the power to *eliminate* old, harmful State barriers, many of which have already been temporarily set aside to permit the free flow of war goods across State lines.

Here are problems of grave public interest which confront lawmakers this session:

**Size and Weights**—States with low size-and-weight allowances do not permit trucks and trailers, loaded to the limits permitted by more liberal States, the freedom of their highways.

The result—interference with the efficient movement of goods in interstate commerce—increased cost of distribution.

The remedy—bring the size-and-weight allowances of all States up to those of the majority—or permit any vehicle which conforms to the laws of its home State the right of unrestricted travel through all other States.

**Ports of Entry**—A few States still maintain these barriers. Whether operated as tax collection agencies or checking stations, they are hindrances to efficient interstate commerce and, as such, should be eliminated permanently.

**Special Taxes**—Many States impose special taxes on trucks and trailers from other States—Public Utility or Public Service Commission fees, compensation and travel-order taxes, road-use fees, mileage levies, gasoline taxes, etc.

These, in almost every case, are discriminatory. They impose a cost penalty on the hauler of the goods you use, the food you eat and the clothes you wear which come to you from other States. This is a penalty which must be included in the price you and the citizens of your State pay.

**Reciprocity**—Does your State honor the truck and trailer license plates of other States, as it does automobile licenses? Be sure that your State is not guilty of inflicting a duplicate license tax penalty upon the haulers of merchandise for your citizens.

**Diversion of Tax Funds**—Over 1½ billion dollars of highway tax money has been allocated by State agencies for other than road-building and upkeep from 1934 to 1942. Has your State passed constitutional amendments to protect the taxpayers' money—making sure that money collected for road building and maintenance is spent solely for that purpose?

### TO THE READER

This advertisement is an open letter to the members of the 42 State legislatures which are in session this January. Your State Representatives or Senators may not have the opportunity to read this message. Since all of these Trade Barriers take money out of your pocket, no matter what line of business you are in or where you live, you will be rendering a public service to see that it is brought to their attention.

World's Largest Builders of Truck-Trailers

Service in Principal Cities

**FRUEHAUF TRAILER COMPANY • DETROIT 32**





*A photograph taken at a demonstration at Bell Telephone Laboratories, Murray Hill, New Jersey*

## **U. S. invention helps shoot down Robot Bombs**

The electrical gun director is one of Bell Telephone Laboratories' many wartime developments. It is made by the Western Electric Company. It practically takes the guesswork out of aiming and shooting the anti-aircraft guns that bring down enemy planes.

When artillery equipped with electrical gun directors moved up to England's buzz-bomb front, the picture changed for the better at once. Here's a typical day's record: One

hundred forty-three bombs reached the coastline. The R. A. F. accounted for thirty-five, seventeen were downed by barrage balloons, and the artillery using electrical gun directors bagged sixty-five. Only twenty-six got through.

Bell Laboratories goes right ahead with war work until our infantry takes Tokyo. Then it goes back to its regular job—keeping American telephone service the best in the world.



**BELL TELEPHONE SYSTEM**



ON OCTOBER 23rd, 1944

THE GEORGE S. MAY COMPANY

STARTED ITS

10,000<sup>th</sup> JOB



→ industry's endorsement  
of the world's finest  
business engineering

*You've Got to Spend Money to Make Money*

**GEORGE S. MAY COMPANY**

*The World's Finest Business Engineering*

OFFICES IN PRINCIPAL CITIES



# Nation's



# Business

PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 33

JANUARY, 1945

NO. 1

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Cover painting by E. Franklin Wittmack

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GENERAL NATHAN FORREST'S famous saying—repeatedly proved true in the present war—holds good in peace production as well. Tomorrow's competition will be unprecedented—and dust control may be able to get you there "first with the most", and cut your costs, too!

Now is the time to include dust control as an integral part of your re-conversion plans. Submit your problem to us in confidence; and we will recommend without obligation an AAF dust control system, engineered to your needs. We are accepting orders now on a "first-received-first-delivered" basis. Delay in action may mean delay in getting your equipment.

Send for this FREE book—



If you have a dust problem, write us for a copy of "AAF In Industry" which describes our complete line of air filtration and dust control equipment. There's no obligation.

AMERICAN AIR FILTER CO., INC.

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In Canada: Darling Bros., Ltd., Montreal, P. Q.



ENGINEERED DUST CONTROL



# America's FIRST Aluminum Boxcar

*Built by GREAT NORTHERN ... of ALCOA Aluminum*



Out of the shops of the Great Northern Railway at St. Cloud, Minnesota, has rolled America's first aluminum boxcar!

And it's made with Alcoa Aluminum!

Outside sheathing, roof, corrugated ends, doors, floor-protective doorway plates, corner posts, running boards and brake step—all are made of high-strength Alcoa Aluminum. Aluminum alloy rivets were used in assembling.

This experimental car was designed by Great Northern engineers with the cooperation of Alcoa engineers. Equipped for high speed, the car is now in service.

ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh 19, Pennsylvania.

## FACTS ABOUT GREAT NORTHERN'S ALCOA ALUMINUM BOXCAR

*Inside Dimensions:* 40 feet 6 inches long; 9 feet 2 inches wide; 10 feet high.

*Weight:* 43,500 pounds.

*Nominal Capacity:* 50 tons.

*Load Limit:* 125,500 pounds.

*Amount of Aluminum used:* 3,722 pounds.

*Savings in Weight by using Aluminum:* 4,057 pounds.

*Specialties:* "Dreadnought" ends, "Murphy" roof, "Youngstown" doors, "Open Grip" running board, "Union Metal" floor protector plates, threshold plates, "Open Grip" brake step, of Alcoa Aluminum. Specialties made by Standard Railway Equipment Manufacturing Company, Youngstown Steel Door Company and Morton Manufacturing Company.

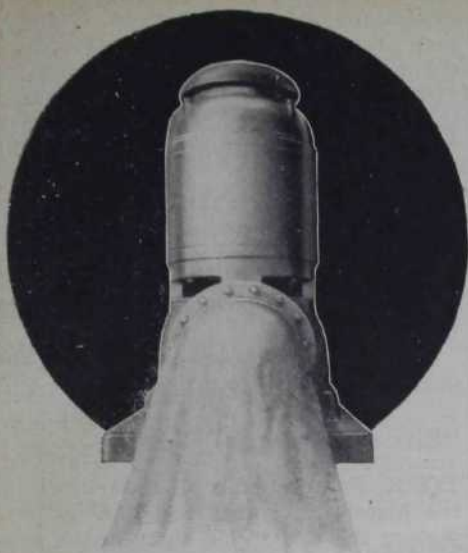
*Trucks:* American Steel Foundry's A-3 trucks with Ride Control and Timken roller bearings.

*Frame:* Steel.

# ALCOA FIRST IN ALUMINUM







## Pumping water "the economical way" from deep wells

The indisputable *economy of operation*, that is peculiarly a *Peerless feature*, is not just a happenstance. The ingenuity of top-notch engineers, the unusual skill of precision-minded, highly-trained pump building mechanics working with *better materials*, plus years of painstaking laboratory and field tests alone were the factors responsible for not only the marked economy, higher sustained efficiency and greater dependability of every Peerless pump, but also the fact that Peerless products are from the factories of the world's largest manufacturer of deep well Turbine pumps.

**Experienced  
Pump  
Engineers  
to assist you**



The Peerless Pump Distribution Organization, a member of which will be found in your near neighborhood, is composed of the most efficient and dependable pump men in the country today. Co-operating with our own factory-trained field engineers, they stand ready to offer you of their wide experience and skill.

Turbine Pumps—20 to 30,000 g.p.m.  
Hi-Lift Pumps—500 to 3300 g.p.h.  
Hydro-Foil Pumps—up to 220,000 g.p.m.

**PEERLESS PUMP DIVISION**  
Food Machinery Corporation

301 W. Ave. 26, Los Angeles 31, Calif. • 1250 Camden Avenue S.W., Canton 6, Ohio • Other Factories:  
San Jose 5, Fresno 16, California.

# Peerless Pumps

TOP-FLIGHT QUALITY UNDERGROUND

# NB

# Notebook



### Build buying power

BUYERS with the biggest orders will enjoy their usual advantage when war-short products once again appear in the market place. That explains why some of the largest retail organizations are forming buying and merchandising combines and why buying offices which represent numbers of medium-size and smaller retail concerns are emphasizing the advantages of their purchasing pools.

A new variation of this plan is the entry of the Gamble Stores, Inc., and its affiliates Gamble-Skogmo, Inc. and Western Auto Supply Co. into the export field. The export department will offer products manufactured according to Gamble specifications and comprising a complete line of electrical appliances, refrigerators, stoves, radios, automotive accessories, home furnishings, sporting goods, clothing and dry goods and farm machinery. Present volume of the organization through some 2,000 stores in 24 states totals \$60,000,000.

With a sizable export business added to this volume, this buyer will probably get the breaks barring the possibility of a postwar rationing scheme aimed at providing the small retailer with a little of the new product.

### Calls for hotel program

A WAR PLANT can be running on three shifts while the management is getting new gray hairs wondering what is to be done in peace time. In other industries where the reconversion problem is small or nonexistent, there is a natural disposition to let the future take care of itself. The comeback made by the hotel business, however, is engendering no fantastic notions of its future. The American Hotel Association has called upon its members to do some sharp thinking in a booklet issued by Fay M. Thomas, chairman of its postwar planning committee. Six steps recommended are (1) Appointment of a postwar planning executive (2) Plan postwar hotel services (3) Find the kind of guests your hotel will attract (4) Determine repairs, renovations, ex-

pansions (5) Estimate your employment requirements (6) Reappraise your finances.

### Credit costs to fall

CONSUMER credit agencies are still looking for an answer to their question about control after the war. They expect regulations but fear they may have to carry the ball against inflation when rationing and price control are dropped. This would mean adjustment of payment schedules to meet trade conditions.

Meanwhile Arthur O. Dietz, president of the Universal C. I. T. Credit Corporation, has promised the lowest rates ever offered by the company for the postwar world as an inducement for consumers to use credit instead of wartime savings. He forecast that at least 50 per cent of the automobiles sold would be bought on instalments.

As a fairly good indication that competition will affect credit costs as well as merchandise prices in postwar, it is estimated that 95 per cent of the commercial banks will be in the instalment finance business as against 70 per cent before the war.

### Bouquet is news

A DIFFERENT TACK on the seas of publicity was indicated when the president of the Lincoln Road Association of Miami Beach remarked that most of the fashions shown along that ultra fashionable thoroughfare are from California, added: "I don't think Los Angeles has scratched the surface of its potentialities. It is destined to be one of the finest and biggest cities in the United States."

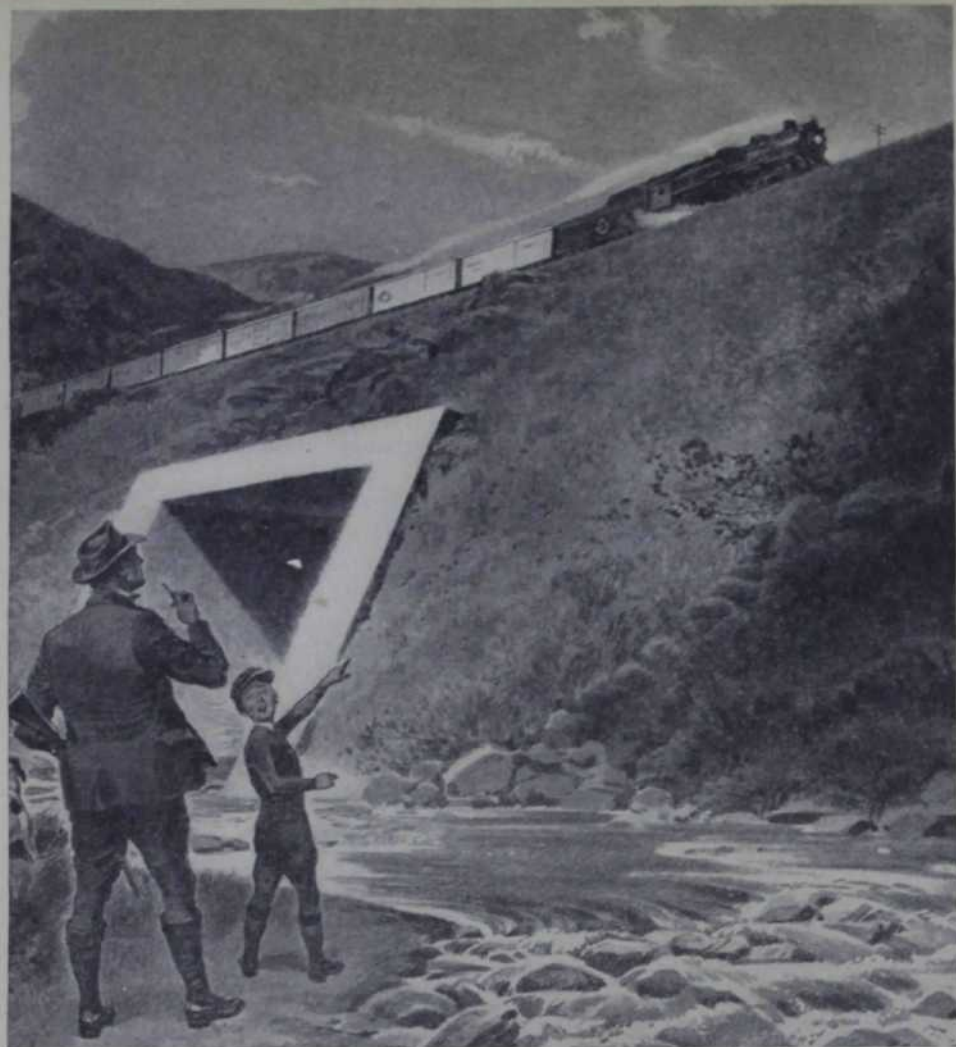
*C'est la guerre or what?*

### Checking the estimates

SINCE the job of a dealer is selling, he must be an optimist, especially when it comes to gauging the possibilities of a new product. Manufacturers have learned this to their sorrow.

Having in mind this dealer trait, Edward N. Hurley, president of the Hurley Machine Company of Chicago, prewar manufacturers of the Thor washing machine and large producer of ironers, con-





## You own the world's finest transportation system

The successful performance of American railroads, speeding men, equipment and supplies for a Nation at war, proves that *you have* in this country the world's finest transportation system.

*You*, the American public, own these railroads. You may not be one of the hundreds of thousands of railroad stockholders, but if you have money in the bank or insurance, the railroads are partly yours. For most banks and insurance companies are heavy investors in the solid securities railroads offer. And part of the funds you place in their hands is

safely reinvested in the world's finest transportation system.

But, you have *more* than a financial interest in the railroads. Most of your household articles, the materials of which your home is built, much of your food, come to you *by rail*. If you work in a factory or office, the chances are that your products are distributed all over the country *by rail*, so they can be sold to pay your salary.

Buy War Bonds  
and Stamps



Your interest in the railroads is in every way a great one. And the Erie and other American Railroads will continue to justify your confidence in them.

# Erie Railroad

ONE OF AMERICA'S RAILROADS—ALL UNITED FOR VICTORY!

ceived a neat way of checking upon the exceptional response which his distributors predicted for a new electric dishwasher that the company will sell for \$100. Patent claims are pending for a washer at this price which will do a "sparkling job in two minutes" on the dirtiest utensils.

The check-up was simple. It was a classified advertisement in newspapers asking "Do You Need a Washer?" Thousands of women called upon dealers and put their names on a postwar priority list.

Some made down payments. The dealer reports were proved up.

### "Bits and pieces" York

YORK, Pa., earned a place for itself in the history of war production by projecting the York Plan early in the conflict. This was the manufacturing of "bits and pieces" whereby its diversified industry was applied to making parts and components for assembling elsewhere. Later on, this procedure became general.

From a fast start on war production, York promises to be equally quick and effective on reconversion. Recently before the Sales Managers Association of Philadelphia, W. S. Stair, director of product development for the York Corporation, largest York enterprise, told how redesigning will reduce the number of refrigeration and air conditioning items the company manufactures by as much as 25 per cent. Some 400 different items are made, representing 55 different classes of commodities and entering 50 major markets.

"As in other industries," Mr. Stair said, "it may appear that our development engineers could do considerable work on certain doubtful projects which would eventually go for naught. However, our present schedule is remarkably free from this penalty because, aside from redesign, it is largely devoted to component parts rather than completed packages."

So the preliminary emphasis is still on "bits and pieces" for fast conversion.

### Style trend for foods?

THE FOOD INDUSTRY would like to know for sure just how much interest will be taken in its products once the war is over. Under rationing there is great interest, of course, in stretching the points to cover what the family prefers and even what is good eating. Newspapers and magazines respond to this interest by devoting extra space to point menus and balanced diets. Nutrition experts come into their own.

Whether or not the current interest in food will survive in postwar is a matter of dollars and cents right down from the largest manufacturer to the middle-of-the-block grocer because it means that style is about to invade a staple business. Observers point out that once we wore clothes for reasons of modesty or protection from the weather or both. Then style came along, and finally small



town main street was attired in much the same fashion as big town main street.

Something of the same thing may happen to food. For a people better able than any to make its wishes come true, Americans have been singularly unwishful about what they eat. Gourmets not only raise eyebrows, they hiss at the overwhelming popularity of ham and eggs, liver and bacon, broiled chicken, apple pie and ice cream.

The war, therefore, has been an adventure in food which has introduced some variety and perhaps some style elements. The grocer may have to become a bit of a specialist and the manufacturer a promoter of fashionable nutrition.

### "I'm sorry, we do"

THE NUMBER 1 postwar problem for Great Britain is exports and she is making no secret of it. Minus a good deal of dividends and shipping revenue which formerly offset her large import balances, she will undoubtedly have to sell more to keep on an even keel. Apparently her toughest job in selling more will be to change, radically, the cherished temperament of her business citizenry if repeated admonitions of the British Chamber of Commerce in the U. S. A., Inc., are any guide.

The Postwar Planning Committee of the Chamber makes this rather plain through numerous examples picked up in a nation-wide survey of trade possibilities in this country. Some of them:

The president of a San Francisco store complained that on a visit to Britain he told a manufacturer that he did not like the way a particular article was made. "I'm sorry, we do," said his British host and calmly put the merchandise away!

In another store of the Midwest, the president reminded his interviewer that 75 per cent of brushes are sold as gifts. "So why put a hundred dollar set in a two cent box?" he asked.

Another merchant remarked that "shirt manufacturers shudder when we speak of 32-inch shirtings." A dealer in silverware declared he could sell far more tea sets if the British cream jug were the proper size. In another instance, British glassware was dropped because the right tumbler was not supplied.

American exporters have heard the same kind of complaints through the years, acted upon some and ignored the rest.

In the home market, however, manufacturers keep a close ear and a sharp eye on consumer likes and dislikes.

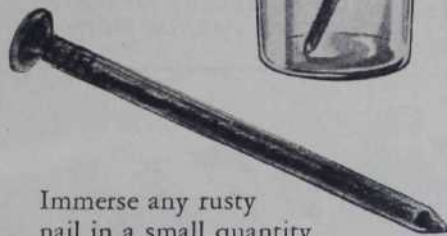
### Still needs selling

WHEN the chairman of a recent conference designed to interest manufacturers in an engineering approach to the problems of distribution offered his list of speakers it was remarked that they were all manufacturing men. No merchant was represented.

The answer was that it was first nec-

# What to do about Rust?

*Make this Test*



Immerse any rusty nail in a small quantity of Cities Service Rust Remover. If badly rusted, allow to remain for several minutes. You can actually see the rust dissolve.

*See the Results*



Remove nail and wipe dry with cloth or tissue. Note the complete absence of rust and the way the original surface reappears.

CITIES SERVICE RUST REMOVER has been tested for four years throughout a small, highly industrialized area in the East, where it has earned a unique reputation for performance. RUST REMOVER is a clean, clear liquid, practically odorless, non-inflammable, easily applied, and harmless to handle by those not allergic to specific chemicals. It is fast-acting, and, although heating somewhat accelerates results, general application is recommended at normal temperature (60°-90°F.). RUST REMOVER is effective on chromium, copper, aluminum, steel and iron.



## 5 Big Advantages

1. Non-Inflammable
2. Harmless to Normal Skin
3. Makes Metals Chemically Clean
4. Curbs Normal Corrosive Influences
5. Free from Muriatic, Sulphuric, Nitric and Oxalic Acids or Cyanide.

See a Free Demonstration of Rust Remover on Your Own Equipment.

(Available only in Cities Service marketing territory EAST of the Rockies.)

MAIL THIS COUPON TODAY! ➡



CITIES SERVICE OIL COMPANY  
NEW YORK • CHICAGO

IN THE SOUTH  
ARKANSAS FUEL OIL COMPANY  
SHREVEPORT, LA.

Cities Service Oil Company  
Room 183  
Sixty Wall Tower, New York 5, N. Y.  
Gentlemen: I am interested in your RUST REMOVER demonstration as offered in Nation's Business.

Name.....  
Company.....  
Address.....  
City.....



# FACT OR FICTION? A 47-SECOND QUIZ



## 1 A HERO BECAUSE HE VIOLATED A LAW...

THE WHEAT FARMER OF THE NORTHWEST IS BEING SHOWERED WITH HONORS BY THE UNITED NATIONS **FACT OR FICTION?**

## 2 ANIMALS ARE BLOOD DONORS AT THE STATE COLLEGE OF WASHINGTON. **FACT OR FICTION?**

### ANSWERS:

1. Fact. Northwest farmers have raised four miraculously huge wheat crops in four successive years... and experts say it's a violation of the "law of probability"! Northern Pacific Railway hauled 57 million bushels of wheat from the 1944 crop... enough to make nearly four billion 1-lb. loaves of bread for the United Nations.

2. Fact. This new veterinary technique makes possible an "animal blood bank" which is saving much livestock on farms along the Main Street of the Northwest.

3. Fiction. Countless tons of precious corn and grain silage is packed in these trenches, then covered for storage... an ingenious wartime livestock feed-conservation measure. Many such ideas are suggested to farmers by agricultural agents of Northern Pacific Railway.

4. Fact. Just send for the new *Fact or Fiction* booklet... a fascinating illustrated quiz about the 1900-mile Main Street of the Northwest. 48 pages of fun and facts, absolutely FREE. Address Northern Pacific Railway, Room 921, St. Paul 1, Minnesota.



## 4 FREE 1900-MILE TRIP ALONG AMERICA'S BEST KNOWN MAIN STREET CAN BE ENJOYED RIGHT IN YOUR OWN LIVING ROOM. **FACT OR FICTION?**



# NORTHERN PACIFIC

*Main Street of the Northwest*

essary to get top management in manufacturing interested in the idea.

Someone suggested that perhaps the manufacturers would learn little from hearing their own folks talk on distribution because they had heard them many times before.

"Wouldn't it be better to hear from some one on the other side of the fence?"

The answer was that it might—later on.

"The sales job must first be done on production leaders because the program would get nowhere without their backing."

Maybe that was right if there is still a high wall between production and distribution thinking.

## How reopenings run

AS A GUIDE to the peace-time trend in retail distribution after the sign "Closed for the Duration" is hauled down or vacant shop windows bloom again, some figures from Los Angeles may prove helpful. Issued by the Chamber of Commerce there they show a gain of almost three per cent in retail outlets from March 31 to August 31, 1944, based upon State Board of Equalization statistics.

It is the breakdown of an earlier report, however, that is significant.

The State Board of Equalization keeps close check on all retailing because it licenses stores to collect the sales tax, besides exercising control over the liquor stores.

The breakdown showed that, from March to August, the increases in retail outlets ran this way: Service stations and auto supplies, 547; restaurants with liquor, 426; home furnishing stores, 386; industrial construction supplies, 273; clothing stores, 256; grocery stores, 251; restaurants without liquor, 250; photographic supplies, 247; confectionery and soft drinks, 194; gifts and novelties, 160; radio and music, 148; motor vehicles, 125.

It is much too early, of course, to call this a reliable pattern to the Grand Reopening because, if you can't get merchandise, you can't open a store.

But automobiles and home furnishings are hugging the top of the list and that's fairly well in line with forecasts on postwar sales.

## Our New Show Window

NATION'S BUSINESS starts the new year with a new series of full color covers, painted in oils by leading artists and dedicated to business men in various fields.

This month we honor the retailers who, from department store to crossroads market, have kept the country fed and clothed and kept their tempers while doing it—in spite of a variety of obstacles.

The artist is E. Franklin Wittmack.



# COAL?

IT MAKES THE  
TRAINS GO, MISTER



**AMERICAN RAILROADS, ALL UNITED FOR VICTORY**, are doing the greatest transportation job in history. And 94% of all U. S. locomotives rely on Bituminous Coal for dependable, unfailing power! Coal is also essential in making the steel for rails, locomotives, coaches, sleeping cars, and freight cars.



**COAL HELPS MAKE MOST OF THE FREIGHT** carried by the railroads. It's needed to make paper, paints, chemicals, synthetic rubber, fabrics, plastics... more than 200,000 products. And—thanks to the efficiency of American railroads and the combustion-efficiency of Bituminous Coal—one ton of freight moves on the average of one mile for less than one cent!



## "THANKS! WE NEED BITUMINOUS COAL!"

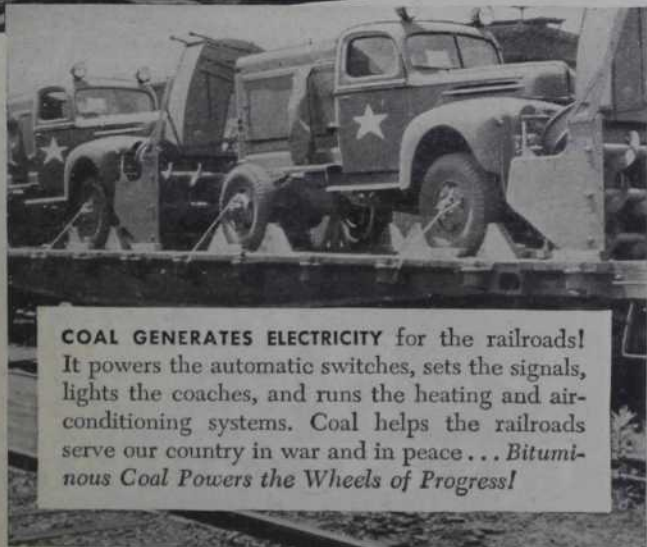
Last year, for railroads, electric utilities, home, factory, and farm, the coal industry produced over 600 million tons... more coal than has ever been mined in any year in any country in history! And the industry is hard at work to make your post-war coal for home heating in more uniform sizes, practically dustless—cleaner than ever.



### Surprising facts about Bituminous Coal

1. The wood-preservative that makes railroad ties last as long as 20 years and more is one of the many useful by-products of Bituminous Coal.
2. Over \$400,000,000 has been spent by the industry during the past 20 years on mechanical equipment and facilities to make coal mining safer and more efficient.
3. Life-saving sulfa drugs, among other marvelous medicines, come from coal. And coal is the basis of 85% of all war plastics.

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60 EAST 42ND ST., NEW YORK 17, N. Y.



**COAL GENERATES ELECTRICITY** for the railroads! It powers the automatic switches, sets the signals, lights the coaches, and runs the heating and air-conditioning systems. Coal helps the railroads serve our country in war and in peace... Bituminous Coal Powers the Wheels of Progress!

**BITUMINOUS**  **COAL** ★  
★ Powers the Wheels of Progress! ★





## The Patriotic and Profitable Way to make Your Own "Paper Money"

**EVERY** dollar cut out of waste motion is a whole dollar added to profit—and your paper work is the quick, easy way to make these dollars. Multigraph Simplified Business Methods are making thousands of dollars for others by savings like these:

Invoicing in a big farm machinery corporation 20 days behind in spite of overtime work; now invoices up-to-date.

Cost of writing purchase orders cut  $\frac{1}{3}$  for another machinery manufacturer.

Complicated factory orders in a war plant written in 8 minutes instead of 2 hours; production started sooner.

Confidential reports for a beverage firm issued 2 days earlier; former danger of leaks eliminated.

10 "necessary" forms reduced to 1 at Army Service Force depots, saving paper, time, and money.

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If you have thought of Multigraph and Multilith as just machines to reproduce forms, your conception of them will be entirely altered when you learn how they can write purchase orders, invoices, factory job orders, and reports—identify shipments—write shipping documents and packing lists.

In fact, these modern machines can do nearly all of your repetitive paper work faster, easier, more accurately and economically.

Yes, Multigraph, Multilith and Addressograph machines save manpower, conserve paper, and make money—today and for all years to come.

If you are the man in your company interested in seeing it make profits—and continue to make them under postwar competition—phone our local office or write the Research and Methods Department, Addressograph-Multigraph Corporation—Cleveland 17. Sales agencies with service and supply departments in all principal cities of the world.

# Multigraph

TRADE-MARK REG. U.S. PAT. OFF.

**SIMPLIFIED BUSINESS METHODS**





# What do you want



## ... IN LIGHTING?

In which of the following office spaces do you consider fluorescent lighting important?

**LARGE OPEN OFFICES?**  
☐ Most important   ☐ Fairly important  
☐ Unimportant

**PRIVATE OFFICES?**  
☐ Most important   ☐ Fairly important  
☐ Unimportant

**RECEPTION ROOMS?**  
☐ Most important   ☐ Fairly important  
☐ Unimportant

Do you expect to install any (more) fluorescent lighting after the war?

**IN YOUR OFFICE?**

☐ Yes   ☐ No  
☐ Already a user of fluorescent

**IN YOUR PLANT OR STORE?**

☐ Yes   ☐ No  
☐ Already a user of fluorescent

**IN YOUR OWN HOME?**

☐ Yes   ☐ No  
☐ Already a user of fluorescent



## ... IN ELECTRONICS?

If you have ever used an electronic dictating machine (one with vacuum tube amplifier), which of the following qualities do you consider most valuable?

- ☐ Better or clearer reproduction?
- ☐ Ability to file records for future reference?
- ☐ Ability to record conferences?
- ☐ Ability to record telephone conversations?

Facsimile reproduction of photographs, drawings and diagrams over long distance wires is now an established process. Would you be likely to use this type of service in your post-war business?

- ☐ Likely   ☐ Possibly  
☐ Unlikely



## We're asking businessmen for their ideas about lighting and electronics

What do you want in lighting, radio, television and other electronic devices for your post-war plant, office or store? That's the question our Sylvania Surveys are asking businessmen today. These important surveys are being used as an aid to Sylvania's post-war planning. To the benefit of your business and ours! Listed on this page are four of the scores of questions being

asked by the Sylvania Surveys. Perhaps you would like to send us *your* answers to them? Even if you don't, by all means write for our "Report on Lighting and Electronics." It may help you with your own plans for the future!

Send for this interesting Sylvania Surveys booklet, "Report on Lighting and Electronics." It will be mailed you upon its completion.



# SYLVANIA ELECTRIC

SYLVANIA ELECTRIC PRODUCTS INC.

EXECUTIVE OFFICES: 500 FIFTH AVE., NEW YORK 10, N. Y. MAKERS OF FLUORESCENT LAMPS, FIXTURES, ACCESSORIES, INCANDESCENT LAMPS, RADIO TUBES, CATHODE RAY TUBES, ELECTRONIC DEVICES





A corner in the Goodyear factory in 1912 based on an old photograph

## An early portrait of a big idea

### ANOTHER REASON FOR GOOD YEAR LEADERSHIP

IT MIGHT be a simple thing—like covering an exposed steam pipe . . . or a complicated thing—like improving synthetic rubber. If the idea will work, Goodyear welcomes it, pays for it, uses it.

This is no war-born policy here. Over the years, Goodyear has hired men for the express purpose of creating new ideas . . . and in 1912 the Goodyear Employee Suggestion Plan was inaugurated. During the 33 years of this company-wide award plan's continuous operation, thousands of ideas—from thousands of employees—have been put to

work to help develop better Goodyear products for all the people.

Two ideas from Goodyear employees won special citations from the War Production Board—development of the famous ice-grip tire, and perfection of the equally famous bullet-puncture-sealing fuel cell.

This suggestion system—democracy in industry—helps make Goodyear what it is . . . for years the world's leading builder of tires . . . today a vast war production center . . . and a potent proving ground for many new products for you after the war.

*A pioneer in rubber, Goodyear also has spent years working with other vital materials—metals, fabrics, chemicals . . . and from the new Goodyear Research Laboratory will come post-war products to serve you better at lower cost.*

BUY WAR BONDS—BUY FOR KEEPS



THE GREATEST NAME IN RUBBER



# MANAGEMENT'S

## *Washington* LETTER

A last minute roundup by a staff of Washington observers of government and business

► SEVENTY-NINTH CONGRESS will be prudent, careful, cautious in consideration of programs not related directly to winning the war.

Administration proposals for "liberal" reforms will get polite reception; but each must pass the acid test: "What does it mean in relation to our national debt of \$250-billion next June?"

In appraising day-to-day developments remember that key committees and controlling parliamentary offices in the new Congress are in the same hands as before November; that in the area of domestic reforms there will be much more smoke than fire. (See page 28.)

► NEW BUDGET shows practically no change from current \$90-billion spending level.

General Somervell, Army Supply Chief, estimates Pacific War will cost \$70-billion for first year after German collapse.

This budget, plus continuing European costs, and increasing veterans items incident to demobilization, will maintain federal spending at approximately present levels through calendar year 1945.

► GOVERNMENT PAY ROLL continues to increase 7,000 per month as new liberated areas call for steadily expanding administrative staffs.

Byrd Committee insists an arbitrary reduction of 500,000 in government civilian personnel would more than meet all manpower shortages in industry.

Civil Service Commission reports total nonmilitary personnel in federal agencies is 3,571,709—an increase of 2,500,000 since defense and rearmament program was launched in June, 1940.

Federal civilian staff serving outside continental limits of U.S. is 389,500.

Combined federal pay roll in 1933 carried only 575,000 at home and abroad.

► MONTHLY WAR PRODUCTION in 1944 averaged 14% above 1943.

After hitting all-time high at 118 last March, WPB's combined military production index finished year at 111% of 1943 monthly average.

Expected index for first quarter of '45 is about 110% of 1943 average.

All reconversion plans are now held in abeyance until seven basic military programs are fully abreast of revised schedules.

► BUSINESS PROFITS will continue in a compound war squeeze—held down by OPA ceiling prices plus excess profit taxes, while pressed from bottom by a steady upward trend in costs of wages and raw materials.

Treasury anticipates net business earnings for 1945 probably will be 10 to 15% below '44.

► YOU CAN PUT your plans for enlarged civilian production back on the shelf until all revised war schedules are brought up to date.

While cutbacks and contract readjustments still are being made, all manpower and materials released are frozen by WPB's new Production Readjustment Committee.

Only those resources which cannot be directed to urgent war production are released for civilian items.

Arthur H. Bunker is chairman of the new Production Readjustment Committee.

► OPA PRICE POLICIES are veering toward a new cost-plus-freight formula, to prevent starvation of markets far removed from production centers.

In all shortage items, growers and processors tend to favor nearby markets (to save freight), often leaving distant centers with nothing—a development which has worked havoc in normal distribution patterns for meats, cigarettes, butter, flour.

Three recent OPA amendments authorize addition of freight to previous ceiling prices, thus providing equal buying opportunity for distant markets. If your industry is dislocated by this problem, OPA may give similar relief.

► GRADE-LABELING CRUSADE has moved into retail meat trade through new OPA order requiring official government grade stamps "every two inches along all primal cuts of beef, veal, lamb and mutton."

Previously, packers were required to



place only 16 grade stamps on each carcass—now, about 320.

Retailers are warned, "It is illegal to mix different grades of meat on the same tray or pan in show-case."

► COTTON PIECE GOODS will be distributed under both wholesale and retail priorities during first quarter of 1945.

A special allocation of 10,000,000 yards has been set aside for home-sewing consumption, to relieve shortages in many rural areas, which have been without standard fabrics for a year or more.

Goods released include prints, broadcloths, lawn, outing flannel, gingham, and seersuckers.

Priority applications to WPB will be screened by Office of Civilian Requirements to assure relief to communities "experiencing extreme shortage."

► POTATO MARKETS normally supplied from Oregon, California and Idaho will feel a pinch until spring.

Potato supplies for rapidly expanding military forces in Pacific will be drawn from preempted stocks of these western production areas, where all sellers now must ship for government account unless specifically exempted, under WFA Order 120.

Remaining potato stocks in East are barely ample for domestic food requirements plus seed.

► CIGARETTE SHORTAGE will be explored further by Senate Commerce Committee (Wheeler).

At least two central American countries enjoy a thriving export business in favorite U.S. brands; no ceiling prices, no shipping controls; no credit and exchange problems for cash-on-the-barrelhead transactions.

Popular brands often bring \$1 a pack in Mexico, Italy, France.

U.S. civilian hoarding only aggravates a complex administrative problem temporarily beyond its government managers.

► SUGAR SURVEY by Food Industry War Committee predicts acute refining and distribution problems in first half of new year; manpower shortages have reduced some refinery operations from three shifts to two.

Present industrial allocations (80% of 1941 use) must be held for 1945; may be cut if more sugar is diverted to alcohol for explosives.

Reserve stocks in U.S. make three weeks' rationed supply, compared to pre-

war average of ten weeks' reserves at this season.

Larger U.S. beet crop permitted under expanded acreage quotas, will not hit market until November.

► IF YOU HAVE a severance pay clause in your labor contract, amount may be included in calculating termination settlement.

(Termination officers of military services have been so advised.)

WLB's Basic Steel Decision promised labor severance pay by implication. Board broke new ground when it sent this question back to arbitration with notice that failure to agree within 60 days would call forth Government's determination.

► WAR LABOR BOARD rules that employers must make all pay rolls available to labor negotiators seeking to "eliminate inequitable intraplant and interplant relationships." (Margetts dissenting for industry.)

Decision means that unions may comb entire multi-plant rolls of employer for inequalities between different cities; or reclassify all jobs in a given plant for rate differentials.

"Job classification," the new labor slogan, lifts average hourly rates within terms of Little Steel, by eliminating "inequalities" and "substandard" pay.

► FLORIDA'S NEW LAW licensing labor organizations has been upheld by State Supreme Court, on ground that "business agents may be regulated...like insurance agents, real estate brokers and others."

► FOREIGN TRADE CONTROLS will continue under present administrative arrangements until after the end of war in Pacific.

Proposals to wipe out Foreign Economic Administration (Crowley) are urged upon White House. Advocates want a new Department of Foreign Trade, combining present business functions of Commerce and State. Such a plan probably won't get far in Senate.

"Advanced thinkers" are plugging for an air-tight government monopoly in foreign trade managed by Wallace as head of new Cabinet department; insist both State and Commerce are hamstrung by "capitalist traditions."

► U.S. INVESTMENTS IN CANADA are encouraged by new treaty eliminating double taxation of estates. (A similar



treaty is under negotiation between London and Washington.)

Already ratified by Senate, Canadian treaty provides estate taxes may be collected only by country in which property is actually located, regardless of citizenship or residence of the deceased person.

U.S. and Canadian treasuries undertake to exchange information on taxable property discovered in other's jurisdiction.

An appeals procedure is established for administrators claiming double taxation.

► **REAL ESTATE BOARDS** have petitioned OPA to wave 20% down-payment rule on homes purchased by veterans.

Rule applies on all rented houses which are offered for sale—as a part of rent-control program.

Many veterans taking advantage of government home-loan privileges are unable to meet OPA's 20% requirement—"clearly an unintentional frustration of G.I. law."

► **WAR DAMAGE CORPORATION** will extend federal bombing insurance another year from June 30, 1945, without collecting additional premiums.

First policies ran to June, 1943, second premiums carried them to '44; free insurance then extended to '45; and second free year made them effective 'til June, '46.

Under legislation creating WDC, it must pay all civilian bombing claims from Hawaii and the Philippines, even though the residents of those areas were not actually covered by written policies.

When these delayed claims are adjusted, WDC may declare a "dividend" of 35% to 50% on all premiums paid in, since there were no U.S. claims for bomb damage.

► **GROUP HEALTH INSURANCE** is an unrivalled morale builder among industrial workers, according to a nation-wide study of 1,043 employer-sponsored plans.

Report shows 94% of companies found employee relations "decidedly improved" by inauguration of medical care program.

Employer contribution ranges from 25 to 100% of cost, depending on range of coverage.

Pamphlet study and experience comments available through National Physicians Committee for Extension of Medical Service, 55 E. Washington St., Chicago 2, Ill.

► **WHEN YOU REEMPLOY** a returning veteran, WLB and Civil Service Commission have ruled that he resumes, not in the seniority spot he left, but in spot he would have attained by discharge date had not military service interrupted employment.

Military discharges now average 50,000 a month—a little more than half of them for war disabilities.

Discharged veteran must report to his local draft board within ten days; there, reemployment committeeman assists in placement—in old job if wanted, or new one, if preferred.

► **DISCHARGED VETERANS** opening new enterprises will be granted highest priorities for telephone installations, under a recommendation of WPB's Telephone Advisory Committee.

Telephone expansion program for Washington, Oregon and California will be ready by early summer to handle new influx of military and war production personnel.

► **WASHINGTON BUSINESS BRIEFS:** Mobilization Director Byrnes works in close harness with Stettinius, Crowley, Jones, Truman, and Congress kingpins; he's a powerful factor against political boat-rocking....U.S. air lines now have 300 planes in service, against a low of 164 at beginning of 1943; grossed \$150,000,000 in '44, against \$97,000,000 in '41. ...Congress will not extend rent controls to commercial property....Lumber allocations for first quarter are 10.2 per cent under estimated requirements. ...Black market gasoline now moves at 90 cents a gallon....Pulp for boxboard and civilian packaging materials will be tighter; "diminished pulp imports from Canada reported due to increased demands of Great Britain"....U.S. life insurance companies now have 40% of their assets in government securities, against 21% in 1941....President Roosevelt hopes for a real vacation as soon as Congress gets under way....Veterans Administration offers printed pamphlets covering government guarantees of G.I. loans for (1) farms, (2) business, and (3) urban homes....State penal institutions are producing about \$30,000,000 a year in war goods; 450 penal workshops turn out textiles, shoes, cargo nets, rope; one prison has salvaged 4,000 tons of scrap metals....Safety Pin Advisory Committee informs WPB it cannot hope to meet minimum civilian requirements with present limited manpower....





## WHY YOU SHOULD CONFER WITH THE *Chase* IN PLANNING YOUR *Employee Benefit Program*

The Pension Trust Division of the Chase has assisted hundreds of organizations, both large and small, in the formulation and operation of employee benefit programs. As a result of this experience and of continued research, Chase officers are prepared to furnish pertinent information and to make helpful suggestions to you or your consultant.

A plan should be constructed to meet the specific requirements of each employer and his employees. Decisions which should be made only after careful study are:

1. What types and amounts of benefits (retirement, disability, death, severance) will best fit your particular case?
2. What type of program (pension or profit-sharing) and what vehicle of financing (group contract, individual contracts or securities, or some combination thereof) should enable your plan to function most satisfactorily through varying economic cycles?

For these reasons a preliminary discussion with Chase officers is advisable *now*. Once a program is decided upon, the appointment of the Chase as corporate trustee would secure the advantages of expert, permanent, impartial and economical administration for any trust established.

*Our 92-page summary entitled "Pension, Bonus and Profit-Sharing Plans," covering the fundamentals of formulating and financing employee benefit plans is available. We invite you or your consultant to write for this study and to discuss your particular case with us—without obligation.*

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# PROFITS, Not Favors, for Small Business

By RALPH WALLACE



LET ME tell you a heartening tale of American business—the story of the St. Pierre Chain Co. up in Worcester, Mass. Before the war, St. Pierre's 40 employees contentedly made tire chains. When auto production was snuffed out back in '42, it looked as though the company might fall by the wayside.

Then representatives of big business—the Bendix Aviation Corp.—stepped into the picture. Field men found St. Pierre owned some idle steam hammers. Bendix needed aircraft forgings the hammers could smash out. If the big company provided engineering advice, would the little company help?

St. Pierre would, and did. Rapidly learning new forging tricks, St. Pierre invented, and patented, a continuous process for making anchor chains. The Navy snapped them up by the thousands of fathoms. Meanwhile the first Bendix orders for aircraft forgings mushroomed into bigger orders. The result? Today St. Pierre does several million dollars' worth of business a year, earns

**MORE often than not, the record shows, the big company looks upon the small company as a junior partner, the aiding and encouraging of which benefits all concerned**

substantial profits and employs 15 times as many workers as in prewar days. Best of all, it will enter the postwar era better equipped—both technically and financially—than ever before!

Throughout America today big and little businesses are writing literally thousands of similarly successful histories of collaboration. Unfortunately, few Americans realize that large and small businesses are as complementary and interdependent as piston and cylinder or hand and glove. Far from being natural enemies—an idea slyly fostered by various propagandists—neither group could survive without the other.

That holds true in peace as well as in war.

This basic fact is confirmed by an in-

tensive survey I recently made of a score of the nation's largest companies. Executive after executive of big corporations emphasized that the war production miracle achieved in America would have been impossible without the skill and ingenuity of small suppliers and manufacturers.

More revealing still, these same big business leaders pointed out that the present cooperation between big and little business has always existed. For example, one large company had some 1,400 small suppliers and contractors before the war. Today it has added only about 600 to the list—a step-up almost precisely proportionate to its increased rate of production. Certainly these figures do not bear out the thesis that big



business has frozen little business out of armament production.

Moreover, the postwar era holds promise of ever-growing teamwork. A number of large corporations—U. S. Plywood and Standard Oil of New Jersey, to name but two—have already announced that they are prepared to lend money to ambitious new dealers after the war in order to find new outlets for their products and start new enterprises rolling.

### Small business at a profit

EVEN more important is the recent formation of the Small Business Credit Commission of the American Bankers Association. With a fund already amounting to \$500,000,000, and constantly growing, subscribed into regional credit pools by the larger banks, competent individuals and small firms needing loans their local banks are unable to supply will get prompt attention.

Actually, these new plans sponsored by big business are simply a dollars-and-cents recognition of the vital role small business plays in our commercial life. They represent a telling answer, too, to the pending Murray Bill, which would perpetuate the Administration's Smaller War Plants Corp. under the name of the Small Business Corp.—and with, incidentally, an increase of capital from \$350,000,000 to \$1,000,000,000. Formed originally to help small manufacturers seeking war contracts, both with loans and engineering advice, the SWPC would now invade the postwar credit field with all the governmental control and dictation such agencies inevitably drag in their wake.

Bankers argue—and they are supported by a large segment of both big and little business—that such an agency is unnecessary, entirely aside from the fact that it represents a dangerous encroachment on the field of free enterprise. The figures seem to bear out their argument.

There are, for example, some 2,500,000 small businesses in the nation with an annual gross of less than \$50,000 and fewer than 100 employees each. Yet in a year and a half of operation the SWPC, with 102 regional offices combing the nation for such small companies needing financial help, has outstanding loans of only about \$50,000,000. By contrast, in 1940 alone a survey shows that a third of the nation's banks made loans of \$39,000,000,000 to 24,000,000 firms and individuals—an average of \$1,625 per loan.

To any objective observer, this would seem conclusive evidence that banks were adequately serving small business long before Washington became interested.

In many cases, corporations themselves have supplied the financial needs of small business. One of the outstanding examples of such collaboration is the capital General Motors has provided for many of its dealers through its Motors Holding Division. Under the present plan, established in 1929, a new

dealer, or an old dealer buying out a partner for a new incorporation, may receive up to 75 per cent of his capital needs from General Motors.

A dealer may put up say, \$10,000 and the Holding Division \$30,000. As General Motors' chief purpose is to make the dealer independent as rapidly as possible, profits are by no means proportionate to investment. If the business makes \$12,000, for example, the dealer will receive \$5,250 as his share—a return of 52.5 per cent on his investment—while the Holding Division nets only \$6,750, or 22.5 per cent. This is made possible through an arrangement which provides that the dealer shall be paid a large bonus on all profits over a set percentage.

In addition, the dealer receives a generous salary from the jointly owned corporation. As quickly as earnings permit, he buys out the Holding Division's stock in the dealership—acquiring stock even once a month, if earnings prove sufficient.

This liberal policy has built up literally hundreds of lucrative, wholly owned motor car agencies for small business men. Recently I examined a group of case records with General Motors executives. Here is a former mechanic who established a dealership in New Jersey in 1939 with \$16,000 worth of Holding Division money and only \$4,000 of his own. Fourteen months later, General Motors had been paid off in full. A West Coast dealer put up \$25,000 to General Motors \$75,000 and soon netted \$50,000 a year; a dealer in an eastern city, with a comparatively small amount of GM capital, made \$100,000 his first year, and in less than three years was sole owner of the business.

In effect, big business, as exemplified by General Motors, has gone out of its way to create small businesses. No one would claim such a policy represents pure philanthropy, but it does indicate that America's largest corporations regard the continuance of small business as essential to their own corporate welfare.

### Teamwork helps both

EVERYWHERE I went, I found countless cases of such mutually profitable teamwork between big and little business. For example, the Aluminum Company of America has helped literally hundreds of small concerns design and engineer new aluminum products of every type. Years ago the company developed aluminum paint in its own laboratories and immediately made its formula available to all paint manufacturers without cost, besides backing it with consistent national advertising. Consequently, small manufacturers have made—and small dealers sold—millions of gallons of this product.

Likewise, Alcoa developed—and turned over to manufacturers—designs for aluminum chairs, belt buckles, and scores of other new aluminum objects. Recently Alcoa helped an enterprising small manufacturer design a baby bug-

gy made largely of aluminum—not only recommending the proper alloys and engineering specifications, but sending engineers direct to the manufacturer's plant to iron out problems which arose during construction of the first model. As a result, both Alcoa and the small manufacturer can undoubtedly count on a jointly lucrative relationship for years to come.

"Right now we're working with a small company on a new combination motion picture shipping case and reel, with another manufacturer on an aluminum stove, and with still another on aluminum condensing coils for refrigerators," a company executive told me. "It's a simple statement of fact to say that, without little business, Alcoa couldn't exist at all."

### Small plants help large

IT IS in the field of war production, however, that the interdependence of large and small business has been most brilliantly highlighted. A striking example of such cooperation lies in the war work of the Bendix Aviation Corp., now turning out roughly \$800,000,000 worth of war equipment a year. With 70,000 employees in 17 divisions scattered from coast to coast, and hundreds of products ranging from power-driven gun turrets to jewel-like navigational instruments, Bendix is a typical big business corporation. Yet—and here's an amazing fact—most of the largest divisions of the company are subcontracting from 60 to 75 per cent of their business.

Ernest R. Breech, Bendix president, recently informed me that only this startling division of war contracts had made it possible for his company to keep up with overwhelming commitments for all sorts of precision instruments needed by the Army and Navy.

"At the peak, for instance, our Eclipse-Pioneer Division did around \$200,000,000 worth of business a year, with \$130,000,000 worth of it being supplied by subcontractors," he said.

"The figures alone, of course, don't represent the true load of either group, as in almost every case we had to supply frequent engineering help, production advice, inspection and procurement services. Nevertheless, without the enormous productive aid of the little manufacturer and supplier, desperately needed war materials would never have been produced on time."

In one division, I learned, Bendix records show that more than 50 suppliers of tools alone have 15 or fewer persons on the pay roll.

In the Radio Division of Bendix I found much the same story. As the major developer and producer of aircraft radios and other communications equipment, this Bendix subsidiary combed the nation to find both large and small manufacturers capable of turning out precision devices. Tools, engineering assistance, advice on production methods, and help in procuring materials and

(Continued on page 92)



By HERBERT BRATTER

By HERBERT BRATTER





their benefit brings together "capital, management, labor and opportunity."

The Henderson, N. C., Chamber urges its members and others to send it for guidance any local veteran desiring to enter business. Nashville, Tenn., Beatrice, Nebr., and many other cities offer similar service.

The guidance may take many forms: Acting jointly, business men and bankers of a community can perform a service for themselves and for the veterans by surveying the needs of the community, so that they may direct veterans bent on self-employment to the less risky opportunities.

### Surveys will save risk

IF there are too many shoe stores in Maplewood, a new sporting goods store may offer a promising alternative. There may be plenty of grocery stores in the old part of town, but none in a growing suburb. The veteran who likes the out-of-doors may be attracted to the possibilities of operating a swimming pool or a tourist camp.

From another viewpoint, a survey of the local community as a well-rounded shopping center may reveal that the absence of, say, a house-furnishings store or a theater is keeping people from coming to town to shop. By directing veterans to such "vacancies," the community not only may avoid development of an oversupply in an existing line, but actually increase business for established

stores by widening the local "market area."

New businesses, however, need not provide all the opportunities. Chamber workers will no doubt find that many a business man will be glad to retire as soon as he can sell his business. To such a man the entrance of veterans into business will be a welcome development. Or a proprietor looking toward retirement a few years from now may want a younger man to take an interest in the firm.

Others who do not care to retire may have plans for expansion and will welcome new and capable junior partners. Some may lease out a department to a veteran; for example, a meat counter in a grocery store.

Opportunities for various new services which do not now exist should be examined, such as delivery of hot meals to homes, periodic checking of electrical appliances, or of plumbing, tending the lawn and garden on an annual basis, or diaper service.

Catering to recreation and travel will take a variety of forms.

Likely to be overlooked among new business opportunities are the farming districts. Qualified veterans who dislike big cities should be shown the need for rural shops to repair farm equipment and internal combustion engines.

Those who undertake to guide the veterans should remember that war service does not give the boys business training. Seventy per cent of Army officers,

up to and including majors, are under 30 years old. Many of them went into service directly from high school or college and are earning more in the service than they did in civilian life or are likely to be able to earn after their discharge. Although such men will feel a strong personal urge to try self-employment, they and the community will be best served if they can be persuaded that "picking up the business end of it" is not easy. For them courses in business management are available under the GI Act at government expense.

### Loans to buy business

AN equally important service on the part of business men will be in aiding veterans to obtain GI loans.

The Administrator of Veterans Affairs, upon a veteran's application, may guarantee not to exceed 50 per cent of a loan or loans for the acquisition of home, farm or business; provided the aggregate amount or amounts guaranteed do not exceed \$2,000. The loan may not bear interest exceeding four per cent or be payable in more than 20 years. Eligible lenders include not only commercial banks, but individuals, firms, corporations and state and federal agencies and corporations.

Business loans under the GI Act may be used to buy any business, land, buildings, non-inventory supplies, equipment, machinery or tools, subject to the Administrator's approval. On the guaranteed part of the loan the Administrator pays the first year's interest.

To benefit from the loan provisions of the GI Act, veterans need not go into business immediately upon leaving the service. If this is not fully understood, many little businesses are sure to be set up by men ill-informed as to basic business procedure and hazards. GI business loans will be available several years after the average veteran leaves the service.

The GI loan is not obtainable by the veteran as a matter of right, but only if some lender is willing to share the risk. Banks are the principal lending institutions to which the veteran contemplating self-employment will be directed.

Organized banking is prepared to give the veteran business and financial guidance. The American Bankers Association is sponsoring state and local bankers' committees for such service, believing that to permit a veteran to get involved in burdensome debt is to do him a disservice.

Many veterans will need to be protected from persons whose aim is to get hold of the GI's money. Such persons will encourage GI's to go into business so that they may sell them merchandise, equipment or other property. Others, quite honest, will seek the veteran's cash to promote "screwball" ideas. Still others will be plain swindlers.

These, then, are some of the obvious ways that business men can serve them-

(Continued on page 60)



Frequently the new enterprise is economically unsound and survives only long enough to exhaust the invested capital





# A New Europe in the Making

By JUNIUS B. WOOD

**AS OUR ARMIES** advance, liberated countries emerge from Nazi rule.

A new Europe is in the making.

Now taking shape, this new Europe groups itself into two main blocs—one under the Soviet Union, the other under England.

Eastern Europe will be dominated by Moscow and present moves, with reborn nations as pawns in the mighty game, are to fix the western limit of the Russian sphere of influence.

This sphere is to be expanded by actual incorporation, as in the case of Estonia, Latvia, Lithuania, part of Finland, Bessarabia and eastern Poland. Other countries will not become actual parts of the Soviet Union but will fall in the orbit by indirect but powerful application of social, political and economic influence. Such is perhaps to be the fate of Albania, Bulgaria, Czechoslovakia, Hungary, Iran, Norway, Rumania and Yugoslavia.

Another orbit, with London as its center, is steadily developing. England, for centuries the advocate of balance of power in European affairs, is organizing its own continental bloc, made up of a fringe of western Europe and the

**A FAMOUS** foreign correspondent explains the international tug of war behind the piecemeal daily reports of struggles for control of liberated countries

Mediterranean area where important British interests, including the Suez Canal are involved.

The British sphere of influence would include Belgium, Denmark, France, Greece, Italy, the Netherlands and Syria—close to 7,000,000 square miles and more than 200,000,000 people, although 90 per cent of the area and 70 per cent of the population are in distant colonies.

Neutral Portugal, Spain, Switzerland and Turkey may take their choice between England and Russia.

At Moscow, former Secretary of State Hull induced the four powers to renounce bloc-building, but that conference was held a year ago. Now the building boom is on.

Still another minor orbit is in sight. Egypt has invited Turkey, Greece, Lebanon and the nebulous Pan-Arab Union to make Cairo the headquarters of a Moslem-Christian bloc.

In that future Europe, whose vague outlines may now be seen, where will the United States find its place? Will we have leadership, or even partnership, commensurate with our generous contribution of sons and material resources to the cause of freedom? If we are to keep the promises to smaller nations and build the hoped-for peace, we must share in laying the foundations.

Tied to our hopes of political and military peace are those of our interests in economic freedom and opportunity to trade.

Will American business have the same chance to operate factories, to invest, to buy and sell which it had when the smaller nations of Europe were independent? Or will American interests and those of the smaller countries be crowded out by the more powerful European neighbors?

The plans of our Allies are neither



secret nor furtive, but there is as yet no clear understanding in America of the meaning of those plans. For that matter, there is no full understanding in America of the policy of our own Government.

## New Soviet influence

THE Soviet Union will emerge from the war as a powerful political, military and economic force in world affairs. For 25 years its world influence has not been negligible as an evangel of Communism and as a socialized state of which the rest of the world had only a vague idea. In the future it will be more than the fountainhead of a creed. Stretching across two continents, it can choose from both. It no longer depends only on Communism's ties with a party group for influence in a country.

Moscow explains its moves. It wants "sympathetic" nations along its far flung frontiers. It has forced cabinet changes in Persia, Finland, Switzerland and other countries which are not neighbors. Moscow gives a helping hand to its supporters in Europe and Asia, in North and South America—openly in some countries, secretly in others.

The destitute of Poland beg UNRRA, which does not play politics, for relief but Russia says it must be administered through the Soviet Union and the same will apply to Czechoslovakia and Yugoslavia. A family's politics may decide whether it lives or starves.

Moscow's control of life, commerce and foreign relations of countries in the Soviet orbit may not accord with our hopes or our promises of individual freedom and national independence. But our fighting men and supplies are needed today, and our machinery and loans will be asked for in the future, and we can insist on a part in the planning.

As the Red Army occupies part of a country, Soviet-picked officials take over. They are not Russians but natives. Communism, as a world organization, has followers in every country. The party leader who fled to Russia before the approaching Nazis, returns backed by the Red Army and is sure to find party supporters who have escaped Nazi vengeance. The men and women to set up governments in Poland, Germany, the Balkans and all other countries have been schooled in Moscow. The governments, business, ownership of property and standards of life will be on the Soviet pattern because that is what the leaders believe in. Domestic and foreign trade will be controlled by Moscow.

The Soviet also backs its chosen party leaders in countries where others have done the fighting. There is a name for every country as a few may show: Maurice Thorez in France; Albert Marteaux in Belgium; Palmiro Togliatti, also known as Ercole Ercoli, who promises Italy both a revolution this winter and votes for women; Lucretiu Patrascanu in Rumania; Josef Broz (Marshal Tito) in Yugoslavia and Macedonia; Count Michael Karolyi, now in London, in favor with Moscow for Hungary, and

George Siantos in Greece. In the latter country, Russia again faces England on the question, not only whether king or Communists shall rule Greece, but whether Macedonia will annex Salonika and a gateway to the Aegean Sea.

Communists in these countries have been the backbone of the resistance forces against the Nazis and have paid with blood and lives. True to the policy of Moscow, their fight will not end until they have established a government. They proclaim freedom and believe in forming a government now—a government on Soviet lines—without waiting for academic discussions at a peace conference.

Nor does Russia wait for a peace conference to assess reparations on countries which it occupies. It has assessed Hungary \$400,000,000, payable in goods in four annual installments. Rumania and Finland each are down for \$300,000,000 in six installments.

The jockeying for power is now coming to a head in France. In any bloc England can organize in western Europe, France must be the keystone. Churchill's announcement that France would have a permanent seat on the security council of the new world league brought a speedy invitation to General DeGaulle to visit Moscow and meet Stalin.

## New parties in France

THE old political leaders of France are gone—exiled, shot or passed with the years. About 20 new political parties have sprung up, each with its little two-page newspaper in Paris. But one of the old parties, the Communist—working underground, leading the sabotage during the Nazi occupation and popular with the people—has survived and its newspaper, *Humanité*, again circulates through the country.

Underpaid and underfed, the city workers have their grievances. A bus driver may earn 8,000 francs a month. A plain restaurant meal costs 2,000. Those who profited under the Nazis have money and flaunt it. To conserve food, also to protect their pocketbooks, allied troops are barred from restaurants.

Under Communist pressure at home, DeGaulle permitted Maurice Thorez, the Communist leader, to return to France. It is a story with few parallels. When the war started, Thorez was an officer in the French army. Russia and Germany were allies then and, more loyal to Russia than to his own country, Thorez fled there. Now he is back in France.

For Germany, Moscow also has a program. The Nazi party and its leaders will be exterminated. All agree to that. It might be better for Russia's purposes to keep intact that part of Germany whose industry can replace what has been destroyed in the Soviet Union. But, if the country is divided into three, or many, areas of occupation as now is favored, Moscow will not lose.

Until Hitler's rise, the Communist

party was strong in Germany. It alone had the physical courage to oppose the Nazis and, though its leaders who did not escape to Moscow were imprisoned or shot, the party still lives. These leaders who will return and take charge are able and reputable Germans. The Soviet has a political party which already is rooted in the people. In any area which the Red army may occupy, Moscow will name the German officials while in areas where other Allies may give the German population the democratic privilege of choosing its own officials, the strongest political party will be the Communists.

## Russia looks east, too

WHILE Russia's structure in Europe is rising, only the Kremlin knows its plans for the Orient. For a quarter of a century, Moscow has known that Japan's dream of empire included annexing Siberia, up to Lake Baikal. The Soviet Union is awake to the menace of Japan but war would be suicidal while straining every resource to drive the Nazis from Europe.

Consequently the two countries have a treaty of neutrality, discomfiting to their respective United Nations and Axis allies. Observing it is a test between expediency and honoring an agreement on paper.

Moscow has not disclosed what, if anything, it wants in the Orient. Port Arthur once belonged to Russia. It built the Chinese Eastern Railroad which it was forced to sell to Japan. It may want Korea or, more likely, Manchuria, to round out its political control in Mongolia. It may come in at the kill to sit at the Oriental peace table. Even if it is not there when Japan is partitioned, Moscow will not lose. It will emerge as the strongest power in Asia, able to enforce its demands alone, even on China.

Countries which expect the United States to participate in their political and social, as well as in their economic restoration, fear that we are abandoning the initiative to Britain. Secretary Stettinius' reaffirmation of the principles of the Atlantic charter in regard to Italy—that liberated people can choose their own officials—has done much to allay these fears.

While countries in the British bloc will be independent—not compelled to follow the same social doctrine as officials in London—the political alliance can be an advantage to England in strengthening its own trade and finances. Though other countries may enter the agreement later, England already has fixed exchange rates and made clearing arrangements for trade with Belgium and Holland and is holding conversations with France and Norway.

An enduring peace, the ultimate goal of this war as of so many in the past, depends on the survival of the United Nations and their functioning through the security organization outlined at the Dumbarton Oaks Conference.

Organizations to preserve world peace are as old as the Christian era, at least.

(Continued on page 70)



# What Wage Guarantees Involve

By VOLTA TORREY

**B**ACK in the years between the wars, the business of George A. Hormel & Co., Austin, Minn., meat packers, was subject to unpredictable ups and downs. In the slack periods, it was necessary to lay off men.

"You can't do this to me," one of those men protested.

"Can't do what to you?" Mr. Hormel asked.

"You can't turn me out in the street. You wouldn't turn a horse out in the street."

Austin is a small town, and Mr. Hormel appreciated the fellow's plight. His pondering of the laid-off men's problem led to the establishment of a wage system somewhat similar to that of a farmer, who pays his hired man the same sum every month even though the working hours vary from season to season.

In slack weeks, Hormel employees were not required to work full time, but their paychecks were not reduced. They repaid the company for this overpayment by putting in longer hours without extra compensation during the rush



**LABOR is demanding a guaranteed annual wage. While some types of industry find it feasible and are putting it into effect, others meet an obstacle in fluctuating demand of their products**

**Consumers must be made to buy durable goods in bad times, if industry pays annual wages**

periods. To even out working hours, an extra gang which could be shifted from department to department was organized, and ways were devised to divide the work differently among departments when necessary.

A work-schedule-and-gains system was devised as a basis for bonus payments throughout the year and the company emphasized to its employees the idea that, although their pay came "per-week, not per-hour, or per-haps," the only way to get it was to earn it.

The Hormel system is somewhat complicated, but its details were determined carefully over a period of years; it was introduced gradually and the results

were gratifying to virtually everybody.

"While warning against reckless haste and unnecessary commitments," Jay C. Hormel has written, "this company feels that such plans, if worked out successfully, are worth while."

Today the United Steelworkers of America (CIO) are asking the steel industry to adopt a somewhat similar plan by guaranteeing 40 hours pay a week for two years to its 500,000 employees.

Out of this demand has grown the wide discussion of the "Annual Wage" and the possible benefits or evils it would mean for American industry.

Spokesmen for the steel companies protest that such a plan might prove so

costly that private enterprise would become impossible and the workers would become pawns of government. Senator Styles Bridges of New Hampshire, who notes that a "clock will not keep time if any part is loose," has described the CIO's proposal as part of a gigantic depression-preventive scheme that "cannot possibly work if any freedom of will or of action be permitted to wage earners or anyone else in the United States."

On the other hand, the late Wendell Willkie wrote that labor's aspiration for an annual wage should be encouraged.

Obviously there is more to this argument than meets the ear. Obviously, too,

*(Continued on page 84)*



# Work Sheet for the NEW

By CHARLES P. TRUSSELL

THE new Congress, the 79th, will be a different Congress than many if not all political seers expected.

Its Democratic majorities will be reminiscent of the "rubber stamp" days of the New Deal honeymoon but, it seems safe to say, it won't be that kind of body.

The new Congress will operate before a backdrop of Administration promises of a "full economy," an "Economic Bill of Rights" applying to all citizens and all business men, large and small, and a postwar era made secure by 60,000,000 workers in productive jobs.

This Congress, it is assumed in and out of Government, will see the end of the war and do the planning for international security. In addition it will deal with such domestic issues, vital to the future well-being of the nation, as:

Duration of delegated extraordinary war powers

Preservation of private enterprise

Promotion of small business as the backbone of the American economy

Expansion of the productivity of industry

Readjustment of the federal tax structure (as soon as is practicable)

Timing of relaxation and, finally, abandonment of controls on wages and prices

Administration-proposed expansion of the Social Security program to cover medical and hospitalization benefits, maternity aids, temporary compensation, permanent disability benefits and lump-sum death settlements; and protection

of all workers, including farm labor, self-employed and federal, state and municipal employees (at an estimated \$10,000,000,000 a year)

Unemployment Compensation, with

**DESPITE Democratic majorities in Congress, party lines will continue to be as blurred as they were in the fall campaign—and the House and Senate will do their own thinking in new legislation**

the drive still on for a setting by statute of a federalized standard of payments in the states borne in part by the federal Treasury (cost unestimated)

A streamlining and modernization of the Congress itself to enable it to keep, or get, abreast of the war-swollen executive branch

Possible revision of labor laws, with an intra-labor fight between the American Federation of Labor and the Congress of Industrial Organizations involved

Further meeting of problems presented by returning war veterans

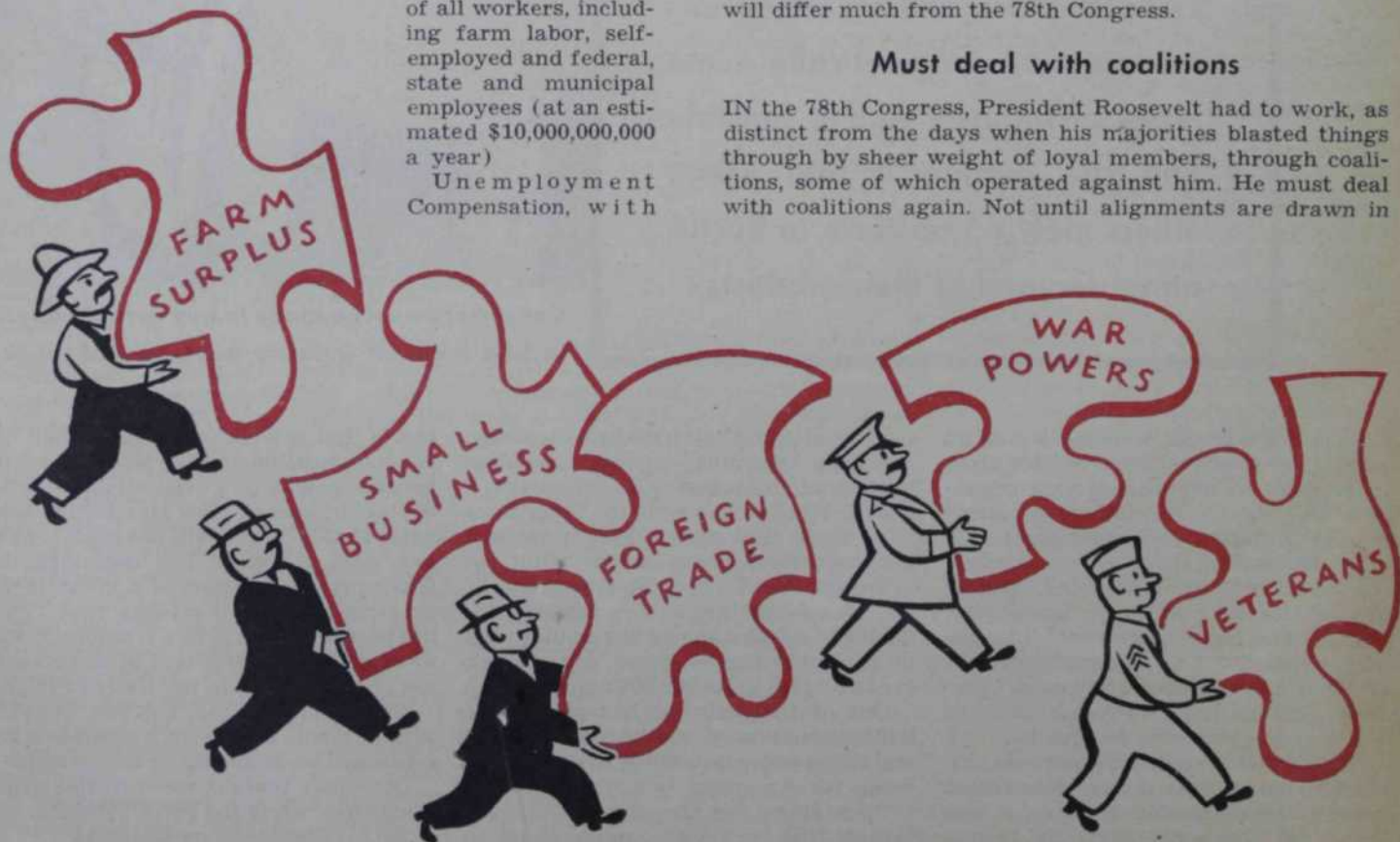
Acceleration of foreign trade and expansion of foreign credits

Farm prices and disposal of agricultural surpluses, with the future of cotton (and its powerful "cotton bloc" in Congress) in the forefront of all contests

Much has been made, from the election returns, of Administration gains in the House and of the consolidation of its lines—particularly in the routing of the "isolationists"—in the Senate. But cold analysis indicates that neither the Senate nor the House, so far as the home front is concerned, will differ much from the 78th Congress.

## Must deal with coalitions

IN the 78th Congress, President Roosevelt had to work, as distinct from the days when his majorities blasted things through by sheer weight of loyal members, through coalitions, some of which operated against him. He must deal with coalitions again. Not until alignments are drawn in





# CONGRESS

initial tests will it be known how he will fare when purely domestic issues come up.

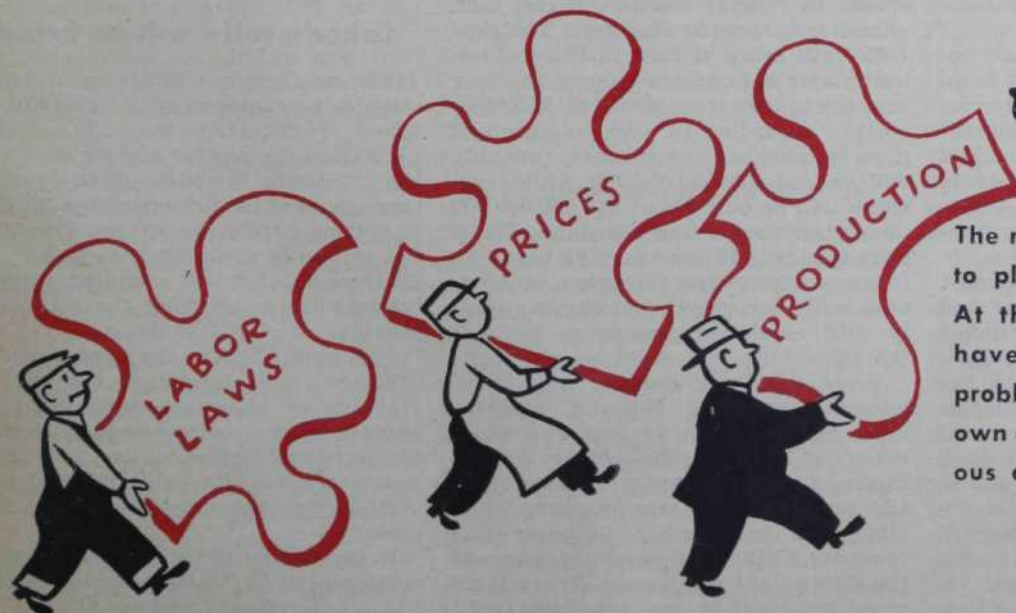
In the new Congress the President will find a group of stalwarts who were "benched" in previous upheavals at the polls but who came back in the 1944 swell. They, however, are too few, it appears, to neutralize entirely the coalitions which developed in the 78th Congress and likely will function again in the 79th.

In meeting the problems which will go before the incoming Congress, the President will find himself leading a majority which encompasses virtually every shade of political faith and practice, from the conservatism of the Deep South to the left-wing liberalism of New York's American Labor Party. The elements in this majority do not see eye to eye on many matters. The President will have to fight some of his programs through.

The Congressional "revolt of the Deep South" which marked the 78th Congress (and dissipated rapidly as the voting season approached) will resume with the convening of the 79th Congress. It will again be fanned into flame, indications are, by a renewed pressure to make permanent the President's Fair Employment Practices Committee (a plank in the 1944 Republican Platform and a campaign issue introduced by President Roosevelt) at a time when a filibuster would have to be maintained for perhaps two years to block the proposal again. This may be augmented by renewed drives for anti-lynching and anti-poll tax legislation, which also touch off the sizable and the potent southern democratic bloc.

The southern hurts, past performances have shown, spread to issues beyond the boundaries of the South. "Take the war out of the issues," southern Democrats are still saying, "and you'll know the fight is still on. Opposition is going to grow when the fighting stops."

The 79th will not be a "party-line" Congress. On the international front, the party labels will be as blurred as they were in the autumn campaign. Commitments made then, in the process of routing isolationism—or at least driving it into ambush—will make the aisles in the Senate and House chambers which separate the party



The new Congress will have to plan for world security. At the same time, it will have to solve the complex problem of how to keep our own country sound, prosperous and productive



representations lose their perspective.

Yet, while the outlook indicates "a more cooperative" Congress on collaboration-for-peace and kindred problems, it is conceded widely that the Administration will be forced to compromise to get its program through.

This promises to be true also on home front questions. The campaigns in the individual states and congressional districts, as reflected in Washington, were so oriented to the international picture that only the results of initial voting tests will indicate how the increased Democratic majority stands as a whole—on old and new New Deal domestic policies and programs.

## Opportunity for small business

IF WE are to attain the postwar employment goal of 60,000,000 productive jobs, Wayne Taylor, Under Secretary of Commerce, contends, there must be a thriving small business population. The number of businesses has decreased by 500,000 in the course of the war. This has been cited as an illustration of the tremendous recovery job that lies ahead, but Alfred J. Van Tassel, staff director of the Senate Special Committee on Small Business, rejects it as a cause for gloom.

The decline, Mr. Van Tassel holds, has been due not to an increase in the number of business failures, but to a decline in the number of new businesses formed during the war. And this, he maintains, is reason for optimism rather: an economic vacuum to be filled by new enterprises after the war.

To help fill that vacuum the Surplus War Property Disposal law already provides that Small Business shall be given every fair opportunity to acquire war plants for conversion into peace-time production establishments. The Government, through the Smaller War Plants Corporation, may finance such acquisitions, and do more. There are provisions too, for the advancing of funds to finance conversion to civilian-consumption production, and for more funds to assist in financing the actual operations of business.

Congress, having written these opportunities into law, will be asked to go further; to provide, for instance, for insurance on loans made by private institutions to cover perhaps 20 per cent of losses sustained during the uncertain period of postwar readjustment. White House approval of this project is indicated.

Other moves to give Small Business a favored position in both domestic and foreign trade fields are being studied to harmonize with the President's "Economic Bill of Rights." But there has been such a tendency, in the Surplus War Property and other Congressional enactments thus far to give "priorities" to Small Business, Big Business, and to everybody else that the situation remains confused. The new Congress will be called on to straighten these things out. The administration position remains undefined even to those whose

job it will be to orient the congressional majority.

There also are advance signs that the new Congress will strive to add to the "Economic Bill of Rights" a program under which business, large and small, may eliminate the unseen but real "competition" presented by the present system (OPA) which requires it to keep records it never kept before and "give information it never had." The war bookkeeping, it is indicated strongly, will go under the congressional microscope.

## "Scarcity" theme is out

THE New Deal will turn in its fourth term from a thesis of scarcity in edibles to one of mass production of consumer goods in general, with the President foreseeing an expansion of peace-time productive capacity demanding new facilities, new plants and new equipment capable of hiring "millions more men."

The Government's principal spur will be incentive taxation—a lessening of the tax load for the man or the company that performs to the good of the "full economy" program. The new Congress may go beyond this. Furthermore, it is expected to buttress the Administration assurances that the expansion program will be routed into channels of free enterprise: normal investment channels.

Incentive taxation remains, at this stage, more of a pledge than a program. It is being left, properly, some will assert, to the Congress, to write in the details. However, more or less specific recommendations are expected to come, in the light of Presidential emphasis in the course of the campaign.

Congress, of course, must be more specific if this pledge is to be carried out.

## No cut in wartime taxes

CONGRESSIONAL previews make it clear that taxpayers can expect no decrease in federal wartime taxes, individual or corporate, this year. The year ('45) will bring victory in Europe, unless major catastrophes upset the war schedules. However, even the V-E Day coming according to plan, or ahead of it, as is indicated, expenditures probably will exceed \$90,000,000,000 while revenues will be only about \$45,000,000,000 under the accelerated schedules. While thus spending \$2 for every \$1 taken in, it is not likely that Congress, or business, will court tax reductions, especially with continued production for war still on.

From the Congressional standpoint, present canvasses indicate, business must remain adjusted during most if not all of 1945 and 1946 (in the light of the most recent manpower and production reports) to the war program, while struggling back toward a peace-time economy. Talks with revenue leaders at the Capitol are convincing. There is no mood to readjust tax schedules until

Germany is definitely out of the war. As taxation key men put it, revisions at this time would mean more uncertainty to business.

Meanwhile, the Joint Committee on Internal Revenue Taxation is working on schedules that will lighten the tax burdens when they can be lightened. This committee, which makes the recommendations that Congress usually follows (even though they may be in sharp conflict with the Treasury) appears to be convinced that industry and business cannot carry the full tax loads entirely through the reconversion from war to peace-time economy.

The new Congress will be concerned with the problem of shrinking the federal establishment that has mushroomed with the war and effecting other economies. It will have to deal, of course, with the fact that it is much easier to create an agency than to abolish one. However, it appears that the Administration is of like mind at the moment, at least, and has begun such a shrinkage in the recent State Department reorganization. Special agencies, it seems from the signs seen in the State Department moves, are to be absorbed into traditional departments. There are those on Capitol Hill who believe that the new Congress can do much more to help the orthodox departments to come back into their own—and save much money—as the nation works itself out of the war emergency.

## To check up on spending

THE new Congress promises to be an investigative assembly. There will be checks—or check-ups—on how the war money has been spent, on how the planning and appropriating for battle has matched the logistics of actual warfare; on the production and buying that will pile up an estimated \$100,000,000,000 of surplus war property. The check-ups, it is indicated, will extend into the height and girth of the federal war machine in Washington and in the field, and its pay roll.

## Labor's voice will be heard

THE new Congress will come in with a sizable percentage of it grateful to Labor—particularly the C.I.O. Political Action Committee and its alter ego, the "citizens'" body that carried through after the primaries, for the help in getting here or back here. Washington generally concedes that Labor, the C.I.O. especially, will sound an authoritative voice in charting the legislative courses.

Just how effective that voice will be ultimately will depend, in the view of Washington observers, upon how organized labor handles its added prestige and power. If it goes too far, even labor quarters agree, its gains may be converted (by the new Congress) into losses.

In the setting of the postwar employment goal at 60,000,000 productive jobs,

(Continued on page 56)



# Produce Now—Compete Later

By HERBERT COREY

THE THIN MAN was in a bad fix. He was in charge of the battery of furnaces at the Allegheny-Ludlum plant at Brackenridge, Pa. Tons of molten steel were bubbling like white-hot mush in one of his furnaces. It was a fraction of a per cent hotter than it should be and he was having trouble cooling it down. As delicate an operation as tying knots in an eyelash.

It would come out as one of the many varieties of stainless steel. Or of alloy steel, if you like that term better. Alloy steel is an attempt to do something better than nature can do it. Gold can be refined and thereby improved, but it continues to be gold. The alloy steel makers take a pinch of this raw material and a pinch of that and the combination is chemically tested and examined by fantastic electric gadgets. Finally an amount of impurities you can hardly feel in your fingernail affects the process and, in the end, a new metal is born.

Many new metals are being born, in fact. They bear a family resemblance to each other but, in effect, they are brand new. Nothing like them has ever been seen on this earth. It is not too much to say they are the product of a new science.

The alloy steels have made modern war possible. Other items go to making this new war possible, of course. But, without these new steels, war would metaphorically slump to that backward period when grenadiers were killed with pikes and the heavy artillery popped off round balls that would cave in breastplates at 200 yards.

The alloy steels make possible the turbo supercharger that makes flight into the stratosphere a daily commonplace. They line the barrels of big guns—and the life of the guns is prolonged beyond belief.

Take away the alloy steels and there would be no tanks because the tank engines would burn up. We ride in stainless steel trains and cut our utility meats with stainless knives. The rocket bomb of tomorrow, which may soar thousands of miles an hour with no one has yet estimated how many tons of explosives, would be an impossibility without the new steels.

Raw ingots of alloy steel may be worth \$5 a pound and, when they have been worked into some of the finer mys-



**HILAND G. BATCHELLER, WPB's chief of operations, puts winning the war first but looks forward to competing in steel after victory.**

teries, may sell for more than blue white diamonds. Cigarette-paper thin sheets are pasted to bathroom walls and hair-like threads are at the heart of the radar mysteries. You can buy stainless steel false teeth.

## New steels are made to order

IT IS more difficult to get into some of the sanctuaries in which these steels are being made into new ideas for war-making than to get into the oval room of the White House.

These steels are being tailor-made to fit tomorrow's needs. They have grown a new breed of makers and fabricators. Yesterday's steel industry jealously guarded its secrets. However, under the stress of war the new men have exchanged formulae and information as freely as cooks share recipes. A magazine, superbly printed in black and white and colors for the benefit of the industry, is given away to its leaders by the Alle-

gheny-Ludlum company. The company's name rarely appears more than once in an issue and never more frequently than the names of its competitors and customers. It is appropriately named *Steel Horizons*.

The company's president is Hiland Garfield Batcheller.

He is chief of operations of the War Production Board and acting chairman in the absence of Krug.

There may be a tougher job in this war.

After 30 years in the steel business—the most fiercely competitive business in the industrial firmament—his hair was still coal black. Two years in Washington turned it white.

A graph covers one page in his latest report. It shows the almost puny beginning of our production for war. Half a billion dollars or thereabouts when the first complete returns came in. The production curve sweeps in a constantly mounting diagonal to the upper righthand corner of the page, but is toothed like a saw. Each little peak in that line

shows a crisis met and overcome, but there is not enough space to show the innumerable smaller peaks which were licked in surmounting each major peak. General Eisenhower called for more ammunition—shells, grenades, cartridges for machine guns and rifles—Chairman "Cap" Krug of WPB ordered a 100 per cent increase in these materials.

There is the major crisis.

To meet it shortages—minor crises—must be overcome. More workmen and women were needed, more raw materials, more transportation, more housing, more tools, more alloys, more invention, better timing, more water, more power, more lubricants. Each minor crisis has subcrises feeding on it, just as the big fleas have smaller fleas to bite 'em. These crises have been constants. The Army needs duck for tents to shelter the doughboys and the nurses and for hospitals. The textile industry has been losing workers to better paid



industries. But the duck for the tents must be found. It will be found. Batcheller has no hesitation in exercising the full power of Government when that is necessary.

But, because he is a business man and understands the problems that business men must meet, and knows how Government can help them in these abnormal times, he is one of the business men who have gone into the Government and still retained his high standing with industry. Another reason is that he is a diplomat. Still another is that he is essentially a friendly man. Labor thinks of him as a conservative and the industry calls him a liberal. In fact, he is a realist. He knows that in wartime the Government must exercise complete and unchallenged control. He is equally sure that, when peace returns, industry must be permitted to work out its problems just as it always has, free of any interference with management by government—

"Or our democracy will go to hell."

His associates call him "Batch."

He got into the steel business through a fluke. Born in Brooklyn in 1885, he had graduated from the Glens Falls Academy at Glens Falls, N. Y., and from Wesleyan University at Middletown, Conn., in 1907. The banking panic of 1907 was in full outcry and he went to New York City partly to get a job but also to see the fun. He ran across a college mate who had banking connections and they centered their attention on the Knickerbocker Trust Company of America, in which some of the gaudier features of the panic were on loud display. At first they watched from a box on the mezzanine, but as the confusion grew, they descended to the banking floor and helped keep the milling depositors in some kind of order. His friend said:

"Why don't you come up to my place for dinner?"

### In steel by playing bridge

TWO other men were guests. Batcheller knew nothing of either and did not know they would be present. After dinner the quartet settled down to play bridge. One was an official of the Carnegie Steel company, a steel man of the first order, but in his hours of ease an impassioned lover of bridge. Batcheller knew little of the game, but he was shot with luck. He drew incredibly good cards, he usually cut the steel man for his partner, and they cleaned up. When they were putting on their overcoats in the hall his partner—pleased as Punch—asked:

"Why did you come to New York?"

"I'm looking for a job."

"Come around and see me tomorrow morning."

The job was waiting for him as a salesman. In 1915 he had a first rate position. One day he reported an order for two carloads of steel and was proud of it. The head of the sales department turned it down:

"We make our steel in furnaces. Not in teapots."

"I'm through," was Batcheller's retort. "I quit right here."

He loses his temper with difficulty. But hard.

His next step was to become assistant to the president of the Ludlum Steel Company. In 1938 he became president of the Allegheny-Ludlum Steel Corporation. For years he slept in Pullman cars five nights a week. Yet he always seems to have plenty of time to do whatever he wants to do.

### Accessible for business

HE IS accessible on the telephone to those who have business with him. If the business is not real he hangs up. He deals with the prima donnas of big business and the *hauts politiques* all day long—9 a.m. to 6 p.m. plus overtime—and is not only diplomatic but good-humored. He has had worries with labor but the men from the Allegheny-Ludlum company who went to war are assured of a first call on any jobs that may be going when they come back.

He must be the answer to his tailor's dream, because he is five feet ten inches tall, with a trim, athletic figure, and carries himself well. He likes blue suits and white shirts and somehow they do not wrinkle. In the good old days before Hitler pulled the global plug he liked to go bear hunting in Alaska. Being a devoted family man he often took some members of his family—a charming wife, a lieutenant son, and three daughters—on these expeditions.

He heard of a giant Kadiak bear, talked of it, forbade his 16-year-old daughter to have anything to do with it, was beaten to the game by the young woman and after miles of anxious trailing found her posing for the guide's camera in the approved tourist style, holding gun, one foot on bear, bright face to the sun. Mr. Batcheller is an emphatic man. He rose to heights of emphasis that morning. He was, in fact, very proud.

Nowadays he is rarely able to visit his farm in New York, where top score dairy cows are sheltered in the only completely stainless steel cow barn in the world. Visitors who want to talk business, and steel men always want to talk business, often talk while the Batcheller grandchildren play around the Batcheller knees. They do not bother Grandpa. He is able to see steel, and stainless steel, not only as two great industries but as a grand romance.

"We buy iron ore for almost nothing a pound. It isn't worth more, because it is just rust. A purely natural product. We set out to improve on nature and do. We make steel out of it, and without steel, the world would still be in the wooden-yoked oxen and fire-sharpened arrow state. If we let it alone it would go back to rust. Worthless again. But then we turn it into stainless steel and for all we know it will last forever."

Allegheny-Ludlum has a fine American pedigree. Its predecessors were at Pompton Lakes, N. J., where it made, during the Revolution, the links of the chain that stretched across the Hudson at West Point and held back the British

men-of-war. Some of its early products were cannon balls and bars for rifle barrels. The enterprise flourished and divided. The two branches pursued roughly parallel courses, the family names of Ryerson and Ludlum remaining fairly constant in their history.

In 1913 the first hint of the stainless steels of the future came from England and Germany. An alliance between the two companies in 1938 on the manufacture and sale of corrosion- and heat-resisting steels resulted in the formation of the Allegheny-Ludlum Steel Corporation. The merger of the two pioneering dynasties in steel now has under its control plants and outlets in a dozen states. It has been said of it:

"—research has been a driving force. From the two companies, in their respective fields, have come the principal contributions to the fine art of making and using alloy steels. The products of each fitted perfectly into the plans of the other, dovetailing neatly, with only an infinitesimal overlap. Allegheny was the world's largest producer of corrosion- and heat-resistant alloy steels. Ludlum's work in the pioneering and development of fine steels has been equally noteworthy, with especial reference to tool steels."

### Left government twice

IN 1941 the Army-Navy Munitions Board was dealing desperately with a condition that might be described as a fecund chaos. Batcheller went before it:

"We must have reserves of high-speed tool steel and other strategic metals, or we're sunk."

"You know about this," replied the Board. "Come on in. You're a member."

That situation was cleared up. He went back to the Oliver Building in Pittsburgh and his Allegheny-Ludlum business.

In September, 1942, Ferdinand Eberstadt called him to head the Steel Division of the WPE. Before Batcheller had found out where his new office was located there came a buzz:

"Mr. Eberstadt wants to see you."

It appeared that the steel division was in a mess.

"I'll give you a week to come in with a plan for the orderly distribution of the steel for the war effort. If you can't do it get to hell out and I'll find somebody who can."

"OK, I'll do it in a week. But I want to ask you a question. How long are you going to set on it after I bring it in?"

"One week," said Eberstadt.

"That's fair. I'll be in with it."

He named a committee of other steel men. "The steel business is too big for one man to handle." He gave his division a labor advisory committee, because he had long had management-labor collaboration in his own plants and knew how well it worked. He got rid of deadwood and political jobholders and somehow managed to do it without too many outcries from the evicted. At his first meeting with his committee he said:

(Continued on page 55)



# Laugh at a cold—and PNEUMONIA may laugh at you!



**L**OTS OF people think "it's just a little cold." But that little cold can use up a lot of your body's resistance against disease.

People who are already weakened by colds make easier targets for such serious diseases as pneumonia, influenza, sinusitis, tonsillitis, or bronchitis.

If you take the simple precautions below, chances are good that you won't be one of the thousands of victims of pneumonia this winter—or one of the

countless victims of other frequent complications of respiratory infections.

**To Employers:** The cold season is on—and, as always, it's an important efficiency problem.

To remind your employees how to treat a cold, Metropolitan will gladly provide you with poster-size reproductions of this advertisement for display on your bulletin boards.



- 1.** When a cold strikes . . . go to bed if possible. At least stay indoors and rest *all* you can. It may help to take a hot bath, or soak your feet in hot water, and drink a hot lemonade before retiring. Be sure to avoid chilling.



- 2.** You must go to work? Remember that you may inflict your cold on others. If you really *must*, then wear warm, protective clothing. Avoid drafts and sudden chilling. Keep your sneezes and coughs covered up.



- 3.** Drink large quantities of milk, fruit juice, and plain water. Take a laxative if needed.



- 4.** Treat that sore throat to a gargle. For a homemade gargle, add a teaspoonful of salt or bicarbonate of soda to a glass of warm water.

If your cold seems more severe than usual, or if it starts with aching, chilliness, and fever, call the doctor without delay. Pneumonia may be indicated.

Most forms of pneumonia and certain other respiratory infections are often successfully treated with sulfa drugs—particularly if diagnosed early. Remember, sulfa drugs should be taken only when prescribed by a doctor.

But, an ounce of prevention is still worth a pound of cure. Do your best to avoid colds. Watching your diet will help. Get plenty of vitamins, fruits, and leafy vegetables. Eat better breakfasts. Don't skimp on your sleep. Dress warmly and avoid chilling. Get regular exercise—some of it outdoors. And keep away from sniffers.

Metropolitan will gladly send you its free booklet "Respiratory Diseases."

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# What Merchants Face in 1945

By JACK B. WALLACH



KEYSTONE

**DEMAND** by consumers for durable goods will continue to exceed supply, but soft goods sales and prices have probably reached their peak. Dollar volume will drop if pay rolls do



A YEAR AGO NATION'S BUSINESS forecast the course that retail trade would take in 1944. The gist of the prediction, which turned out to be accurate, was:

"Demand will exceed supply, prices will be high but goods will be available. The consumers will have money to spend and sales will soar."

This year prediction is not so easy.

A year ago the end of the European war was not in sight, production cut-backs were only on the horizon, consumer income was on the rise and acute manpower shortages gave assurance of continued full employment. By the end of 1944 these conditions were reversed and the approach of V-E Day found cautious observers hedging.

The outlook for 1945 is quite different:

"Demand for durables still will exceed supply but nondurable demand may be fully met soon after the first quarter of the year. Consumers may have less money to spend and further sales gains are doubtful except, of course, in durable goods. Prices may have reached their

peak in 1944, which may mean a smaller dollar volume in 1945."

Let's consider supply first:

From this point of view, 1945 has its dour aspects. Textile and leather shortages in the first quarter may more than offset any increased retail business derived from the resumption of civilian durable goods production. It should be noted, too, that nondurables in 1944 accounted for \$57,000,000,000 of a total retail sales volume of \$67,000,000,000. In 1939, nondurable goods stores did three times as much volume as durable goods stores. Obviously, any serious decline in soft goods business would substantially reduce total retail sales.

By the end of 1944, retail inventories had dipped below 1943 levels and, in many lines depletion was outstripping replacement. In apparel lines, it was estimated, retailers could not count on more than 60 per cent of their spring, 1944, supply.

Increased military demands called back into war production thousands of

workers who had been released and thus were available for civilian goods production. Reconversion was delayed again and manufacturers who had received WPB authorizations found that they were promises rather than permissive orders. Labor stringency and lack of facilities had already made doubtful the production of 88,000 electric ranges planned for 1944. Electric refrigerators had been ordered out of distribution and into the stockpile.

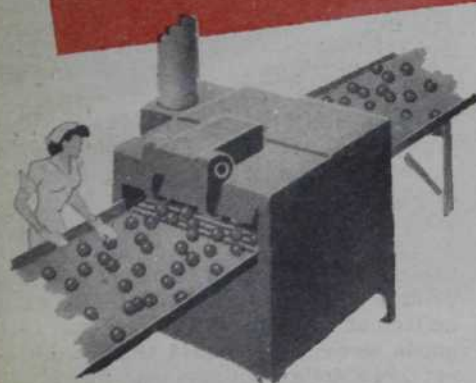
As for the amount of money consumers have to spend, the retailer must think in terms of his own community. A study by the National Industrial Conference Board revealed how war production has caused a major shift in the U. S. industrial pattern that is bound to affect trading conditions in entire regions.

The greatest regional changes have been the increased industrial activity of the Pacific area and the decreased





**THE FARMER KNOWS US**  
as makers of Bean Orchard and Crop  
Sprayers, Niagara Insecticides, Dusting  
Machines, Peerless Pumps and other  
equipment for growing & harvesting.



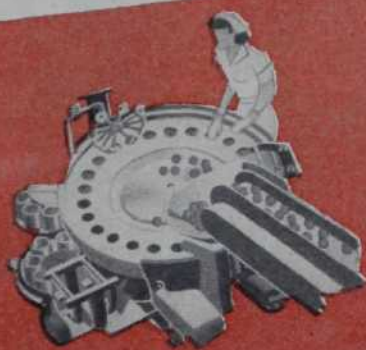
**PRODUCE AND FRUIT GROWERS,**  
Shippers, Dealers and Retailers know us as devel-  
opers and producers of protective processes, such as  
Hypo-Clor Sterilizing Bath and Flavorseal Protection,  
that prolong the fresh life of fruits and vegetables.



**CITY ENGINEERS KNOW US**  
as the designers and manufacturers of  
Peerless Pumps—Turbine, Hi-Lift and  
Hydro-Foil—supplying water for city  
systems, and industrial and farm uses.



**THE FIGHTING FORCES KNOW US**  
as creators\*, designers and builders of "Water Buffalo"  
amphibians and other equipment for the armed forces.  
\*In cooperation with the Bureau of Ships, U. S. Navy.



**FOOD PACKERS KNOW US**  
as the creators and builders of equip-  
ment for processing, canning and pack-  
ing nearly every type of food, including  
over 70% of the nation's evaporated milk.



**THE FIREMAN KNOWS US**  
as the originators and builders of FMC  
Original Fog Fire Fighters, revolutionary  
equipment which produces a dense fog  
for extinguishing fires almost instantly.

## WHO IS Food Machinery Corporation?

Food Machinery Corporation is many things to many people. Ten manufacturing divisions with fourteen major factories located from coast to coast make hundreds of different products in diversified fields. But *all* FMC equipment is known alike for its excellence of design, its superior engineering and mechanical stability. At the root of this reputation is an exceptional "know-how" that is the result of more than sixty years of building specialized equipment and of solving difficult engineering problems for the food industry.

Write on your business letterhead for a free copy of the full-color booklet  
"Amphibian Diary," telling the story of the FMC "Water Buffalo."

### FOOD MACHINERY CORPORATION

EXECUTIVE OFFICES: SAN JOSE, CALIFORNIA

**MANUFACTURING DIVISIONS:**  
NIAGARA SPRAYER & CHEMICAL COMPANY, INC., MIDDLEPORT, NEW YORK  
SPRAGUE-SELLS DIVISION, HOOPESTON, ILLINOIS  
ANDERSON-BARNGROVER AND BEAN-CUTLER DIVISIONS, SAN JOSE, CALIF.

PEERLESS PUMP DIVISION, LOS ANGELES & FRESNO, CALIF.; CANTON, OHIO  
JOHN BEAN MANUFACTURING COMPANY, LANSING, MICHIGAN  
FOOD MACHINERY CORPORATION  
RIVERSIDE, CALIF.; DUNEDIN & LAKE LAND, FLORIDA; HARLINGEN, TEXAS





activity of the Mid-Atlantic area. Retailers in these areas have been vitally affected.

California, Oregon and Washington in '39 accounted for 6.5 per cent of the nation's industrial output. By June, '44, they had received 13.5 per cent of all war contracts. Income payments in those states rose from 9.6 per cent in '39 to 12.1 per cent in '43, and retail sales rose from ten to 12 per cent of the nation's total.

On the other side of the continent, New York, New Jersey and Pennsylvania, which contributed 30 per cent of national manufactures in '39, by the end of June, '44 had received only 23 per cent of all war contracts. Their share of national income payments fell from 29.7 to 25.3 per cent, and retail sales from 24.5 to 22 per cent of the '43 national total.

In '45, we may learn whether these shifts will prove lasting. The extent to which war fed industries can reconvert to peace-time production will determine the ultimate proportions of the retail markets that expanded with them. While markets will shift with populations, mail order houses, chains and larger independent stores will not be caught flat-footed. They will establish outlets that will fully utilize changes in regional population and buying power.

### Volume down in some places

REGARDLESS of the magnitude of war production cut-backs, it even now is evident that '45 will not mean the same thing to all retailers in all regions. Last Fall, as army camps were closed and others were increasingly depopulated, retailers in communities near such camps began to feel a let-up in demand. Smaller communities, of course, were the more sharply affected.

What took place in those communities represents a preview of eventualities in war work centers. It will be a preview with a difference. That difference is that war plant pay roll separations will far more drastically reduce purchasing power unless reconversion is speedy and extensive.

"Within two years after the fighting," predicted Sumner H. Slichter, Lamont Professor of Economics, Harvard University, and chairman of the C.E.D.'s research advisory board, "Federal expenditures will drop from about \$90,000,000,000 to \$25,000,000,000 a year. This will represent the greatest and swiftest disappearance of markets in all history."

War production cut-backs in '45 still are in the conjectural stage. If they amount to only 20 per cent, it is evident, federal expenditures would shrink many billions of dollars. The extent to which reduced federal expenditures would lower consumer income therefore is problematical

as yet but, with reconversion in low gear, retail sales would seem to be in for a fall.

The resumption of civilian durable goods production, it is believed, will produce retail durable goods sales in '45 exceeding the \$9,600,000,000 done in '44, but well under the \$15,600,000,000 peak of '41. In the latter year, automotive dealers and stores alone accounted for \$8,500,000,000, a trade far out of reach in '45 under the most favorable reconversion conditions.

In '44, home furnishings stores (furniture, furnishings, household appliances and radios) did an estimated total of \$2,200,000,000 as compared to the peak of \$2,600,000,000 in '41. The estimated volume of '44, however, includes sales of soft lines which durable goods stores adopted to replace off-the-market hard lines.

Electric refrigerators, vacuum cleaners, ranges and irons, as well as other appliances, are going into production, but the time lapse between production and retail distribution may consume several vital months.

It has been a common practice to project post-V-E Day sales according to surveys made to determine the planned purchases of consumers. These surveys, however accurate they may prove to be, depend for validity on the constancy of consumer income.

The homemaker whose wartime budget justifies her in planning to buy various appliances may revamp her plans if peace-time income is substantially lower. We know that wartime wages and job security increased civilian consumption of food 15 per cent and, but for rationing, might have increased it more.

Purchasing power therefore enters

importantly into any forecast of near future retail sales. The relationship between retail sales and consumer income has been constant for 20 years. Studies show that, from 1922 to 1941, 70 per cent of any increase in disposable income (i.e., income less personal taxes) went into the purchase of goods at retail stores.

The war years cannot be included in the formula because many civilian goods were not available for purchase. It is estimated that, in 1942, 1943 and 1944, \$50,000,000,000 in potential sales were lost through this cause. Significantly enough, that is almost equal to the liquid savings of consumers in that period.

### Prices will likely decrease

THE merchant may ask, if that is so why have retail sales risen constantly in dollar volume despite the fact that the quantity of goods purchased has decreased steadily?

That question brings us to our third prediction: "Prices may have reached their peak."

A specially constructed index prepared by the Department of Commerce makes it clear that higher prices account for 70 per cent of the entire increase in retail sales from 1939 to 1944.

A year ago we predicted that higher prices would produce expanded dollar volume despite diminished supply. As a matter of fact, about five per cent less goods were sold in 1944 than in 1941, yet 1944 dollar volume was nearly 22 per cent higher. The basis of this inflated-dollar volume is easily found. The disposable income of individuals was about \$90,000,000,000 in 1941 as compared to approximately \$132,000,000,000 in 1944.

Inflated-dollar volume will wilt if employment slumps in 1945 and consumer income declines proportionately. The war industries are uniformly high wage industries. Reconversion will mean a shift of millions of workers to lower-wage industries. The curtailment of overtime pay already has had its effect and reaction. Reconversion, in other words, means a definite reduction in take-home pay unless effective countermeasures are taken.

What are those countermeasures? They are any wage increases granted for the purpose of adjusting consumer earnings to higher living costs; shorter work weeks to minimize pay roll separations and absorb an ever-increasing flow of returning war veterans; G. I. Bill of Rights payments and loans; public work projects and possibly a reduction of income taxes in the lower brackets.

If these or other countermeasures fail in 1945 to maintain individual disposable income, it is practically certain that sales of nondurables or soft



"Tell him to let me in first—then I'll tell him what I'm selling"





## What is more vital to you than Food and Water?

**MEN HAVE LIVED** forty days without food—perhaps even longer. They have gone several days without water—and lived. But without sufficient oxygen, life is snuffed out in a matter of minutes.

Normally, a person obtains plenty of oxygen by breathing air. But following bomb blasts, shock from battle wounds, heart attacks, during severe cases of pneumonia, and after major operations, additional quantities of oxygen may be prescribed. The treatment is known as oxygen therapy.

The breathing of extra oxygen also is required by all flyers in the rarefied atmosphere of high altitudes. The study of this use is contributing important data to that which the medical profession's continuing research has made available

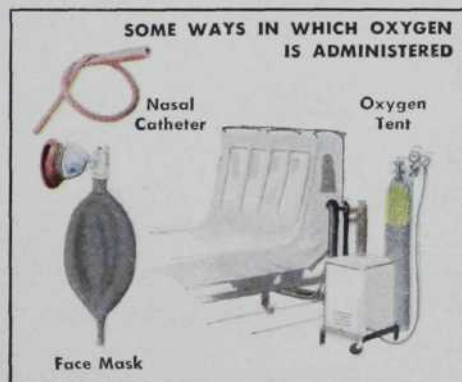
on the clinical use of oxygen.

The LINDE AIR PRODUCTS COMPANY, a Unit of UCC, is devoted to the production of oxygen. Every cylinder of Linde Oxygen, even Linde Oxygen for industry, conforms to the purity standards of the United States Pharmacopoeia—and is therefore suitable for human consumption.



*Oxygen therapy, once used as a last resort, is now routine early treatment. It should be welcomed by patient and family as an oxygen mask is welcomed by a flyer.*

*Civilian and military physicians and nurses and others are invited to send for booklet N-1, "Oxygen Therapy Handbook" which describes generally the types of equipment with which oxygen is administered.*



IN AN EMERGENCY Linde Oxygen U.S.P. can be obtained from garages, welding shops and industrial plants.



**IMPORTANT:** All U.S.P. oxygen must undergo extra drying procedures before it can be used for high altitude flying.

**BUY UNITED STATES WAR BONDS AND STAMPS**

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*Principal Units in the United States and their Products*

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**ELECTRODES, CARBONS & BATTERIES**—National Carbon Company, Inc.

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## A NEW *PLANETARY SYSTEM* ... REVOLVING AROUND THE SOY BEAN

# BLAW-KNOX

*COMPANY*

A PACEMAKER FOR AMERICAN  
INITIATIVE AND INGENUITY

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**LEWIS FOUNDRY & MACHINE DIVISION,**  
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Ordnance Materiel

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Heat and Corrosion-Resistant Alloy Castings

**SPECIAL ORDNANCE DIVISION,**  
Bofors Anti-Aircraft Gun Mounts and Mechanisms

**MARTINS FERRY DIVISION,**  
Bofors Anti-Aircraft Gun Mounts

**BLAW-KNOX DIVISION,**

Chemical & Process Plants & Equipment, Construction Equipment, Steel Plant Equipment, Radio & Transmission Towers ... General Industrial Products

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Automatic Sprinklers and Deluge Systems

### A FEW VICTORY PRODUCTS

ANTI-AIRCRAFT GUN MOUNTS    GUN SLIDES  
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LANDING BARGES    POWDER PLANTS  
SYNTHETIC RUBBER PLANTS  
CHEMICAL PLANTS

Blaw-Knox offers a complete service to the chemical and process industries. This includes everything from building pilot plants to producing equipment for full-scale production.

For the soy bean industry—as an example—Blaw-Knox has developed improved techniques and specially designed equipment. Blaw-Knox experience and creativeness, its engineering background, its complete facilities, are the basis for a reasonable assumption that Blaw-Knox can be of value to you if your business comes within its scope.

One way for you to find out how and to what extent Blaw-Knox can serve you, is to give us an opportunity for a mutual discussion. Out of that may come some important results.





lines will dip. The extent of the dip can be measured accurately by merely charting the income curve.

We know from experience that some consumer goods are more sensitive to changes in income than others. As a general rule, the merchandise lines that rise most quickly with increases in income are also the first to be adversely affected by decreases.

Apparel stores, eating and drinking places would probably decline more than grocery or variety stores. Experience tables show that every ten per cent change in the disposable income of individuals results in an equal percentage change in the sales of women's apparel and accessories stores and eating and drinking places, but only seven per cent in grocery stores and five per cent in variety stores.

Unfortunately, factors as yet unknowable must be taken into consideration before these percentages are definitely accepted as applicable. The rehabilitation and relief of the war-stricken countries might absorb sufficient production in 1945 to support present price levels unless production narrows the gap between domestic supply and demand, or even outsteps the latter.

### Clothes in lesser demand

THE retailer naturally is chiefly concerned with domestic demand, and the present outlook is for reduced dollar volume. In the apparel field, for example, demand for higher-priced goods may be expected gradually to decline. This development logically would lead to the increased production of lower-priced goods and a return to price competition.

Men's wear merchants are counting upon discharged service men using their mustering-out pay to outfit themselves. They are assuming optimistically that this will be a plus business, which it would be if civilian trade continued at prevailing levels. It is extremely doubtful that this optimism is warranted. Any downward trend in employment or income, however temporary, would mean retrenchment on the civilian's part.

Department, mail order, general merchandise and variety stores seem destined to enjoy a relatively better year. Their more diversified stocks tend to insulate them from conditions that vitally affect more specialized retailers. Durable goods stores' sales will be up sharply, because demand is assured and sales potentials depend solely on production.

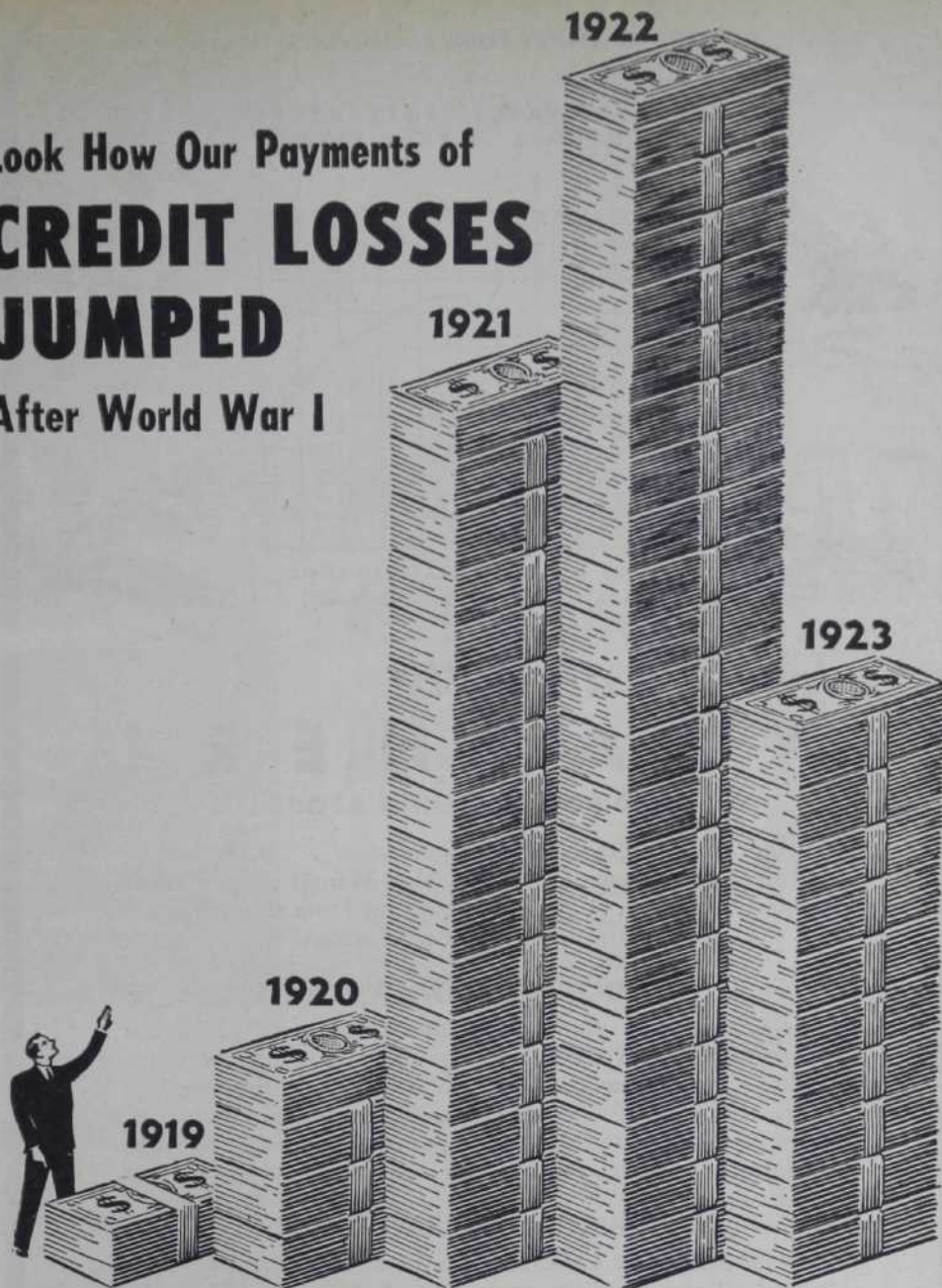
It cannot be emphasized too strongly that this forecast is predicated on the assumption that V-E Day will be followed swiftly by the material changes in employment and consumer income that appear to be predestined.

To that extent, therefore, this is as much a 1945 V-E forecast as a 1945 prognostication.

Obviously, regions which war production have boomed will be the most sensitive to cut-backs. It should also be borne in mind that some trades will re-

## Look How Our Payments of CREDIT LOSSES JUMPED

After World War I



**Failures Multiplied** after World War I. As one result . . . from the 1919 level . . . credit losses paid by American Credit Insurance jumped more than 2000% in three years. For many companies, Credit Insurance prevented disaster.

**Will History Repeat?** Will failures multiply again? No one knows. That's why manufacturers and wholesalers in over 150 lines of business carry American Credit Insurance . . . and why you need it too.

American Credit Insurance GUARANTEES PAYMENT of your accounts receivable for goods shipped . . . pays you when your customers can't. Don't face the uncertain future unprotected. Write now for more information to: American Credit Indemnity Company of New York, Dept. 41, First National Bank Building, Baltimore 2, Md.



*J. F. Fadden*  
PRESIDENT

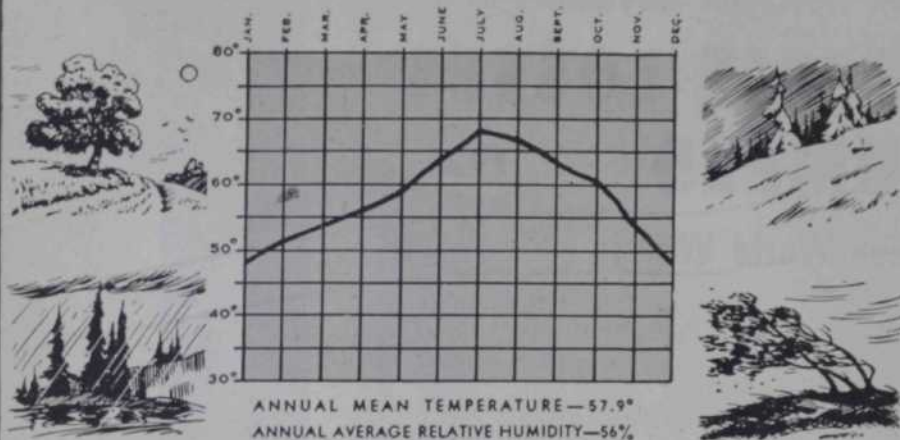
## American Credit Insurance

*Pays You When  
Your Customers Can't*



NOW IS THE TIME TO SELECT YOUR PACIFIC COAST PLANT SITE!

**AVERAGE YEARLY TEMPERATURE  
BASED UPON A 32 YEAR RECORD**



## Let's talk about the WEATHER!

(... AND DO SOMETHING ABOUT IT!)

As you read this, glance out of the window. . . Is there snow and sleet on the ground? Is Old Man Winter getting ready to snarl up traffic . . . keep your own car from starting easily . . . and, in general, hinder plant production?

### NO CENTRAL HEATING PLANTS

This is one time you can do more than *talk* about the weather. You can do something about it. In Santa Clara County, throughout the entire Winter season, the vast majority of factories operate without central heating plants. Materials can be stored out of doors and outside workers continue to produce with few delays.

### PRODUCTION INCREASED 15%

Snow is practically unheard of in Santa Clara County. Year 'round relative humidity averages only 56%. And the average temperature range between the warmest and coldest months of the year is only 19.6° F. Is it any wonder that Santa Clara County plants have found, that on the basis of climate alone, productive efficiency is increased as much as 15%.

### WRITE FOR THIS FREE BOOK

You've thought about a Pacific Coast plant—and now is the time for action! Write today, on your business letterhead, for "Post War Pacific Coast"—a 36-page factual book about the Pacific Coast's fastest growing industrial area.

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SAN JOSE CHAMBER OF COMMERCE  
SAN JOSE 23, CALIF.



# SANTA CLARA COUNTY *California*

The population center of the Pacific Coast

cover peace-time proportions more quickly than others. For example, filling stations need only gasoline, tires and accessories to effect a complete reconversion.

OPA remains a factor in production. If price ceilings squeeze the operating margins of some industries, reconversion almost certainly will be stalled, even if other brakes are released.

The war has demonstrated that the American system of free enterprise is resourceful and flexible. It proved equal to the tasks which the war assigned it, and should prove no less successful in coping with postwar problems.

Amazingly adaptable, it should quickly hurdle any temporary slump that sets in during reconversion, and spring back to the fullest production consistent with military needs in the Pacific war.

Ample supply and relatively high purchasing power will reactivate the keen competition that always has been the life of American trade. Competition will create new markets by generating new demand through the full utilization of every selling medium.

Retailers today are merely accommodating demand. Within a few months, they again may be stimulating demand. If in '44 it was possible to raise volume to a total of \$67,000,000,000, it is well within their means to surpass that total when promotional machinery is thrown into high gear.

They need only the supply and the purchasing power.

Given the healthy business atmosphere in which competition can thrive, American production and distribution will meet its postwar test by bringing better and cheaper goods to the market in fantastic quantities that will spell prosperity through full employment.

It is difficult to be pessimistic.



"I'll take this one . . . and now will you please direct me to the complaint department"



# Burroughs Leads . . . in development of calculating machines

## **Calculator Features FIRST Offered by Burroughs**

**Electric operation**, with its smooth, sure, uniform key-action.

**Duplex accumulating mechanism**, with two sets of dials, for individual calculations and accumulation of grand or net totals.

**Simplified subtraction**, providing the fastest method of complementary subtraction on any key-actuated calculating machine.

**Direct subtraction**, permits touch method of subtraction on duplex models.

**Fraction keys**, for easy handling of fractions, with automatic conversion into whole numbers.

**Full cent key**, which converts the decimal part of a cent to the nearest full cent.

To make calculating easier . . . simpler . . . faster, Burroughs has led for thirty-three years in the development of new machines and new features. Nearly every major development in key-actuated calculating machines during this period has come from Burroughs.

As a result, the Burroughs line of calculators is most complete, making possible the selection of machines with the figure capacity and special features best fitted for each job's needs.

Burroughs' constant aim is the simplification of calculating work and elimination of unproductive operations. This involves a continuous study of calculating problems, job requirements and operating techniques, carried forward in close cooperation with businessmen and operators.

Only the leader can work in this way; only in this way can leadership be maintained. In the future—just as in the past—Burroughs will lead.

BURROUGHS ADDING MACHINE CO., DETROIT 32

**1st**  
**Burroughs**  
IN MACHINES  
IN COUNSEL  
IN SERVICE





# Timing America's Sunday Punch

By Maj. Gen. LEROY LUTES

Director of Plans and Operations, Army Service Forces

**I**N ANY discussion of our war effort in either Europe or the Pacific, one fact must be kept in mind. Our plans are based on a decision made early in the conflict to expend *materiel* rather than men whenever possible. This we have adhered to; we will continue to do so. The lives of American soldiers are too precious to squander in an effort to save material things.

To achieve this end we must ship overseas to the battle fronts more arms, ammunition and supplies than otherwise. Thus tonnage becomes a matter of paramount importance to those of us charged with supplying our overseas troops with all they need to live, fight

**IN THE Pacific war, we're fighting against not only the Japs but also geography—tough climate and relentless distances. Victory is certain but it will not come suddenly**

and win. The problem resolves itself into tonnage multiplied by distance. Perhaps a small town fire brigade can provide a simplified example of what I mean. If the fire is across the street from the village pump it takes only 20 men and 20 buckets to keep water on the blaze.

But, if the fire is at the edge of town, it may require hundreds of men and buckets to get the same result.

Applied to the Japanese war, the men become ships and the buckets are munitions and supplies. The Pacific front is twice as far from us as the European zone. It takes twice as many ships to move 1,000,000 tons to the Philippines as it does to

the German lines in the same period of time. We must face this fact realistically and without impatience.

Victory against Japan is certain. However, it cannot be as rapid as all would like. The logistical difficulties are tremendous. So far we have overcome



SIGNAL CORPS PHOTO

Lack of good harbors and docks in the Pacific regions where we are fighting adds complications to the logistical problems. In many islands supplies must be unloaded directly onto the beaches





1. If you'll do this...



2. Instead of this...



3. Someone who really needs it will get this...



4. And you won't risk being stranded far from home!

Last year thousands of winter-vacationists had to wait weeks for reservations home.

Many stayed up all night at railroad ticket-offices in order to be first in line next morning.

The travel situation will be just as bad this year—maybe worse—for military

needs are even heavier. And the Office of Defense Transportation has already announced that there will be *no extra train service* for those who may be stranded.

So pleasure travel—much as we regret to say so—is still something to look forward to rather than enjoy right now!

★ Keep on Buying War Bonds—Keep on Keeping Them! ★

# PULLMAN

For more than 80 years, the greatest name in passenger transportation



them. We will continue to surmount them but we can't do it at top speed.

Added to the problems caused by distance are others. They have to do with geography, climate, racial differences between ourselves and our enemies, variations in living standards and in national values placed on human life.

Geography is one of Japan's most potent allies. Not only are her supply lines shortened by our offensive, at the same time ours become the longest in the history of warfare, but the distances within the theater are greater.

You will search Pacific maps in vain for a friendly base like England. Nowhere in Asiatic waters is there as sim-

Pacific base doesn't last as long as a ton of equipment sent to the European Theater.

What about the men? Our Medical Corps is doing a remarkable job, but tropical disease is a tough enemy.

We also have to consider the fact that, even if we could divert all Atlantic ships to the Pacific today, we'd still be limited by the lack of unloading facilities.

Time, distance, lack of good harbors and docks in the Pacific regions where we are fighting, and disease present important logistical problems. Language difficulties, lack of skilled civilian labor in many areas, ceilings on our West

help of our Navy and Allied Navies to get 17,000,000 tons of equipment, consisting of 1,000,000 separate items, and 2,500,000 troops into France by D-plus 109.

These supplies didn't just get there. They had to be planned for long in advance.

The first step in building up supplies is to determine what is needed by the Army as a whole. To know what we need we must know, not only how large the Army will be, but how it will be divided, how many divisions are contemplated, whether they are Infantry or Armored Force, how many base, station and field hospitals, how many Ser-



SIGNAL CORPS PHOTO

**On the Pacific islands we have won, roads, campsites and airfields have to be hacked out of virgin jungle. Materials for stabilizing roads and surfacing airfields have to be carried along**

ple an amphibious problem as the short leap across the Channel from England to the Continent.

If we had just one such base, the logistic obstacles would be greatly lightened, but they still would be tremendous. The Pacific climate is hard on our equipment as well as our men. A certain type of glove, worn when working with barbed wire, lasts twice as long in Europe as in the Southwest Pacific. Climate and terrain cause rubber boots to wear out three times as fast in the Pacific as in Europe. A certain type of field test laboratory, used by the Medical Corps, has a replacement rate of one per cent in Europe and 103 per cent in the China-Burma-India Theater. In some Pacific areas our replacement rate for tents runs 136 per cent monthly, or 1,632 per cent annually.

From all this, it is apparent that a ton finally delivered to some distant

Coast port and rail facilities, the necessity of moving supplies by air and water are some of these. Add to this the fact that an American force in the Pacific has to take everything it will need along with it, or get it soon after arrival, and you can get a clearer picture of our problems.

### **All equipment moved in**

THERE are few roads, railroads, wells, on the islands we have won. In many places every airfield and camp site has to be hacked out of virgin jungle. These areas afford few materials for stabilizing roads, for surfacing airfields. The Army must carry its own water purification equipment, dig its own wells, generate its own electric power and construct everything it needs.

In Europe we have many logistical problems, but we managed with the

vice troops, and so through a long list.

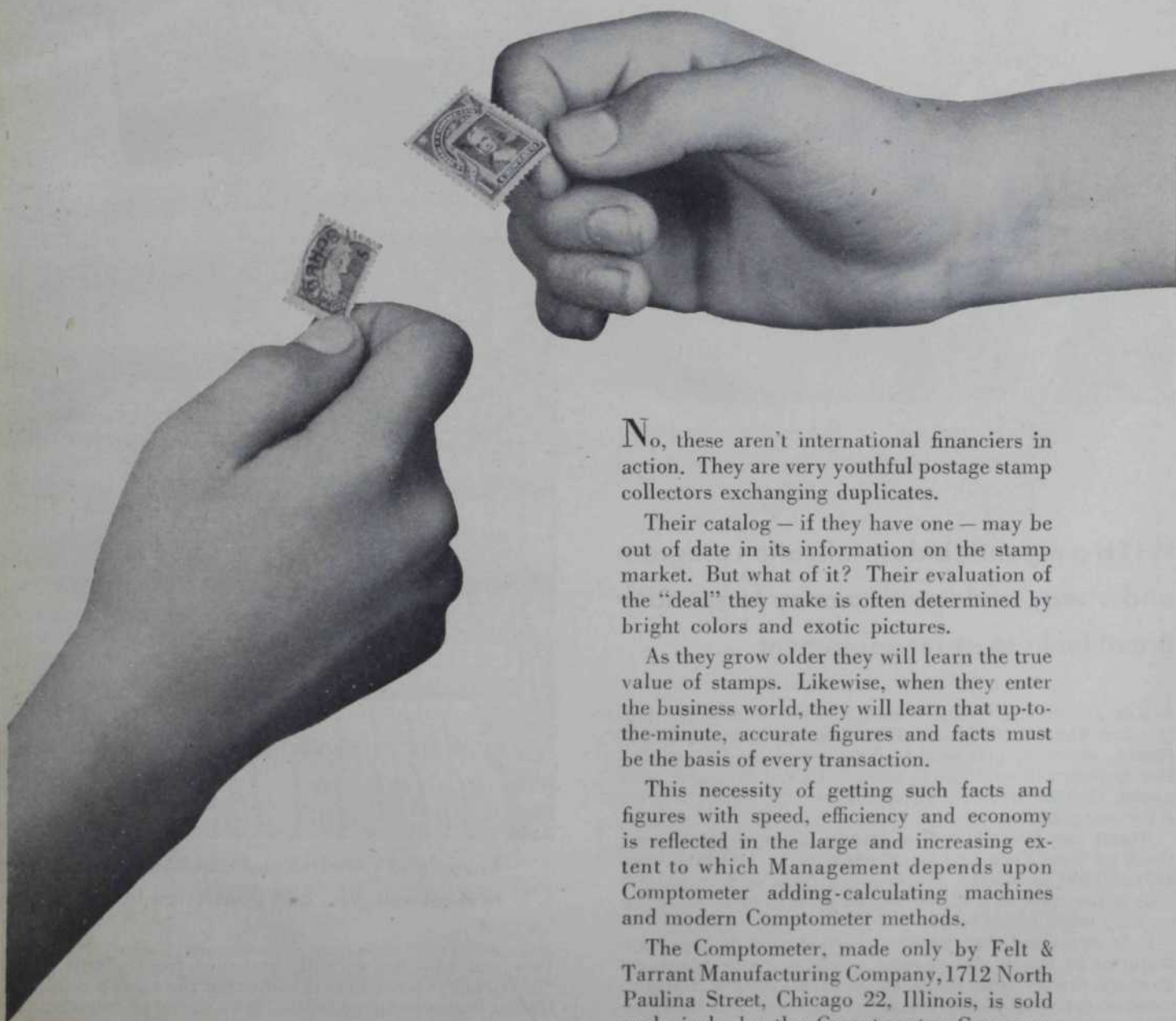
With these totals, we fix the overall supply requirements. These are arrived at by knowing exactly how much of what equipment and supplies each unit of each branch of the service requires. Naturally, no two branches are equipped alike. The Infantry uses its basic arms; the Engineers must have specialized machines; the Field Artillery has mobile cannon; the Medical Corps requires ambulances and operating tents. Even food, clothing and tentage differ according to branches and places of service.

The troop basis is set by the General Staff and is controlled by the manpower available, the time required for training, the capacity of industry to equip the Army, the raw materials obtainable and the job to be done. There is a troop basis for the Army as a whole and one for each individual operation. These include

*(Continued on page 78)*



"I'll trade you  
this Russian Ruble  
for that  
Chile Centavo"



No, these aren't international financiers in action. They are very youthful postage stamp collectors exchanging duplicates.

Their catalog — if they have one — may be out of date in its information on the stamp market. But what of it? Their evaluation of the "deal" they make is often determined by bright colors and exotic pictures.

As they grow older they will learn the true value of stamps. Likewise, when they enter the business world, they will learn that up-to-the-minute, accurate figures and facts must be the basis of every transaction.

This necessity of getting such facts and figures with speed, efficiency and economy is reflected in the large and increasing extent to which Management depends upon Comptometer adding-calculating machines and modern Comptometer methods.

The Comptometer, made only by Felt & Tarrant Manufacturing Company, 1712 North Paulina Street, Chicago 22, Illinois, is sold exclusively by the Comptometer Company.

**COMPTOMETER**

REG. U. S. PAT. OFF.

ADDING-CALCULATING MACHINES AND METHODS



# BRAZIL—Postwar Cash Customer

By JOHN JAY DALY



Sixty per cent of the world's tantalite, "black gold of war," is mined in Brazil

**WITH a gigantic industrialization program under way and—with money to spend—Brazil looks to us for equipment**

LOOK southward, business man, and see what opportunities are offered by Brazil. With her eyes on the United States, Brazil is planning to industrialize to the utmost. Her leaders will continue to use the United States as their model. They have cash to lay on the line—and want to spend it for our goods.

Brazil has \$297,000,000 in gold in the Federal Reserve Bank of New York and the Central Bank of Brazil; also \$231,000,000 in foreign assets—or a total of \$528,000,000. This is the start of a \$2,000,000,000 fund to be spent in our country when peace comes.

It is estimated that possible development of new plant facilities in Brazil will require machinery and equipment of every variety from us valued at \$1,307,000,000. Replacement of depreciated and obsolete equipment will likely require an additional \$719,000,000. Most of the replacements have been needed for at least two years. (See table on page 50).

Says Dr. Charles Lyon Chandler, American student of Brazilian affairs, who has visited Brazil seven times since



Rayon and chemical plant, bought in its entirety in Hopewell, Va., and transferred to Sao Miguel

1908 and who has recently returned from a trip there: "Brazil at the moment is in somewhat the same position the United States occupied in the 1890's so far as industrialization is concerned."

Dr. Chandler sees Brazil as a constantly expanding market for the U. S. Comprising three-sevenths of the southern continent, Brazil is the largest political division of the western hemisphere. With an area of 3,286,170 square miles,



# Peanut Cinderella . . .



**T**HE progressive farm folks down our way are sure that Cinderella's real name is *Arachis Hypogaea*—the plant whose seed pod is the peanut.

Because peanuts can be used to make literally hundreds of amazing products: linoleum, axle grease, milk, a good substitute for cork, a highly nutritious breakfast food, soap, face powder, dye.

Indeed, the once commonplace peanut stands at the threshold of an exciting future, bright with promise.

And so does the South itself! Its farms, mines, forests, mills, factories—proved in war—are ready to reach even higher production goals in peace. And tying them all together into a strong economic unit is the Southern Railway System, providing an adequate, efficient, dependable transportation service.

"Look ahead—look South." Do those four words have a place in your post-war planning?

*Ernest E. Harris*

President



## SOUTHERN RAILWAY SYSTEM

*The Southern Serves the South*



Brazil is larger than the continental U. S. with another Texas thrown in. It is three times the size of Argentina and 65 times the size of England.

Brazil is a growing country. Her population increased from 30,600,000 in 1920 to 41,600,000 in 1944. Brazil has the highest birth rate per family of any country for which there are accurate statistics.

Brazilians have liked Americans ever since the first Brazilians came to study in Philadelphia back in 1798. They have never forgotten the U. S. as the first nation to recognize their independence. They like almost all our products, from hot dogs to automobiles, from chain stores to trailer camps. They want to make Brazil another United States of America: with more motion picture shows, radio and television, modern plumbing, electric refrigerators and everything else we have—provided it is worth while.

## 1200 Brazilians here to study

THE Brazilian attitude toward the U. S. borders on admiration. That they mean this as a tribute is proved by a program of education now being given Brazilian youth in schools, colleges and universities in our country. Today 1,200 Brazilian youths of both sexes are enrolled in our engineering, agricultural and technological schools; and in seven book stores in the city of Belo Horizonte, 425 miles inland, eight U. S. trade papers and magazines are regularly on sale. In trade schools throughout Brazil the students want nothing better than books from our country.

In 1935, the United States and Brazil renewed the reciprocal trade agreements which were first concluded in 1890 by James G. Blaine. The U. S. has had more reciprocal trade arrangements with Brazil over the past half century than with any other nation.

As a matter of fact, the peoples of the two nations have been working close together for more than a century. A strong bond of friendship was sealed when Dom Pedro, the emperor of Brazil, came to the U. S. in 1876 to attend the Centennial Exposition at Philadelphia. On Sunday, June 25, Alexander Graham Bell, exhibiting his newly invented telephone, invited the emperor into his booth. With only five minutes at his disposal, the emperor became so intrigued that he remained three-quarters of an hour.

One of the first telephones ever made was sent to the emperor's palace in Brazil. It is now on exhibit in the Na-

tional Museum, the emperor's former home. Brazil was the first country outside the United States to use commercial telephones. Now Brazil is in the market for 100,000, or possibly more, telephones.

Americans have direct investments in Brazil amounting to \$350,000,000 which include:

Manufacturing . . . . .	\$ 70,000,000
Distribution (selling outlets, agents, etc.) . . . . .	18,000,000
Petroleum (distribution, no production) . . . . .	31,000,000
Public Utilities (Electric Bond & Share, Amer. & Foreign Power) . . . . .	112,000,000
Miscellaneous (Agriculture & Mining) . . . . .	10,000,000

These U. S. investments go back more than 120 years to the days of the Baltimore clippers when the Birkheads and the Wrights and other old Baltimore merchants began putting their hard-earned dollars there.



Education and Health Ministry's building in Rio, built on stilts and equipped with sun louvers

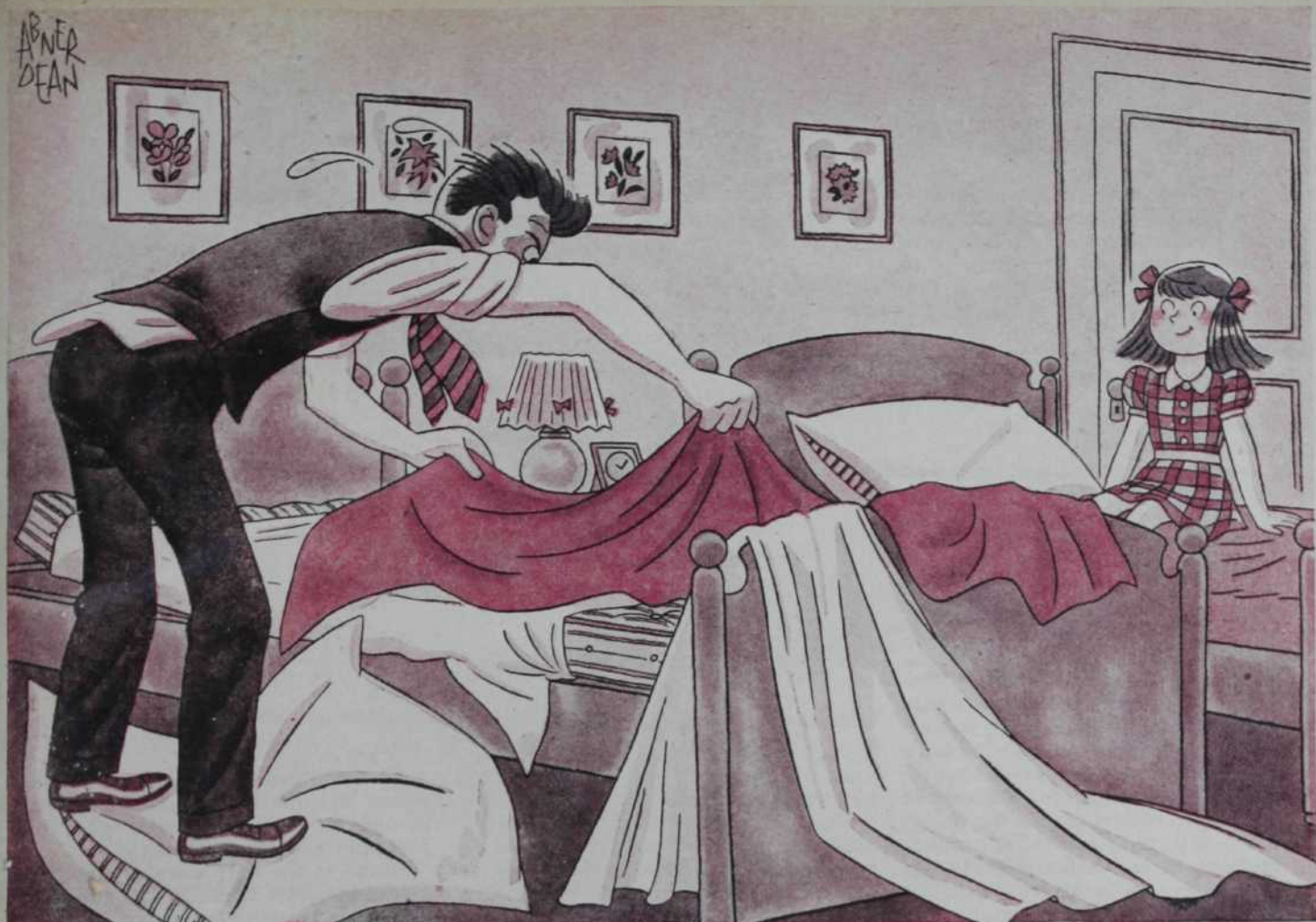
A view of Sao Paulo, "world's fastest growing city"



EWING GALLOWAY



ARNER  
DEAN



## Wanted: The Hand of An Expert

*It looks simple enough when mother does it . . . but to father the complications are terrific.*

Much the same is true in buying insurance. If you had to work out your own insurance coverages, you could spend hours studying the various forms of policies available.

Yet you can talk things over with your local agent—or even telephone him—and get everything fixed up in a few minutes.

When the Aetna was first organized, over 125 years ago, it clearly foresaw the important part that local agents and brokers were destined to play in

giving the public complete insurance protection.

These representatives know how to fit insurance to your individual needs. They can instantly bring your insurance up to date as conditions change. They are always ready to help you in event of loss.

Remember, too, that when your insurance is with a capital stock company such as those comprising the Aetna Insurance Group, it is backed by both a paid-in capital and surplus.

**Don't Guess About Insurance  
—CONSULT YOUR LOCAL  
AGENT OR BROKER**

*Since 1819* through conflagrations, wars and financial depressions, no policyholder has ever suffered loss because of failure of the Aetna to meet its obligations.

WARS	CONFLAGRATIONS	DEPRESSIONS
1846 Mexican War	1835—New York City	1819
1861 Civil War	1845—New York City	1837
1898 Spanish-American War	1851—San Francisco	1843
1917 World War I	1866—Portland, Me.	1857
1941 World War 2	1871—Chicago	1873
	1872—Boston	1893
	1877—St. John, N. B.	1907
	1889—Seattle, Spokane	1921
	1901—Jacksonville, Fla.	1929
	1904—Baltimore	
	1906—San Francisco	
	1908—Chelsea	
	1914—Salem	
	1941—Fall River	



# Aetna Insurance Group

HARTFORD, CONNECTICUT

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LELAND STOWE  
Blue Network

Saturdays 7:15 p. m., E.W.T.



In carrying out its program of industrialization—the actual awakening of Brazil—the nation's leaders have a clear-cut plan. In 1942 they set up the Office of Coordinator of Economic Mobilization to control production, prices, distribution, transportation and foreign commerce.

Several other commissions also have been created, including the National Council of Commercial and Industrial Policy, the first duty of which is to recommend the creation of basic industries.

**Natural resources:** Brazil possesses vast natural resources. Nearly every item on the critical list of our Army and Navy Joint War Board can be produced in Brazil.

To show how rich the country is, all its agricultural wealth has been accumulated with only five per cent of the soil cultivated.

Foremost crop is coffee. In 1943-'44, Brazil, which grows most of the world's coffee, sent to the United States 1,293,406,196 pounds—authorized for entry and consumption up to Sept. 30. When, recently, it looked as though coffee might be rationed again, this quota was stepped up—and a rise in price stalled.

With the exception of coffee, Brazil's diverse agricultural production formerly meant little to the United States; but in the past two years her jute, her fibers, and her pyrethrum have found expanding markets in our Atlantic ports. Its forest resources, from the very nature of things, have only been partially developed—and there is wealth untold in the valley of the Amazon and its tribu-

## What Brazil Wants to Buy from Us

HERE is a list of equipment which it is estimated Brazil will need from the United States after the war:

Type	Used	New	Total
Power and communication	\$ 69.2*	474	543.2
Transportation	155.7	385	540.7
Building construction	69.2	120	189.2
Manufacturing	121.2	240	361.2
Mining and petroleum	13.9	18	31.9
Agriculture	69.2	150	219.2
Lumber, woodworking and paper	5.2	11	16.2
Fishing	3.5	8	11.5
Scientific apparatus	41.6	24	65.6
Consumer goods	17.3	30	47.3
<b>TOTAL</b>	<b>\$566.0</b>	<b>\$1460</b>	<b>\$2,026.0</b>

\*In millions of dollars.

need for these woods in Brazil—a big building plan ahead.

Brazil is overloaded with materials—nuts and palms—that make fine vegetable oils. The long list includes babassu and cohune which yield oil for making margarine, soap and candy.

The oil pressed from the seeds of the oiticica tree has excellent drying prop-

erties. Also found in profusion are mica, lead, zinc, mercury, chromium, nickel, bauxite, gold and platinum and other strategic ores.

Brazil is the only country known to hold extensive deposits of zirconium and euxenite which contain uranium and cerium, those two precious war materials, probably the most valuable in the world. Hitler's agents prowled the globe in search of them back in 1938, buying what they could in Brazil. Another material, a must on the war program, is beryllium, now being used for tempering copper on dashboards of airplanes.

Then there is tantalite, used as an alloy for steel and invaluable to radio. Sixty per cent of the known tantalite in all the world is in Brazil. Today, at least 90 per cent of the industrial diamonds so much in demand come out of Brazil. Tungsten has been developed there during the war.

**Manufacturing:** While manufacturing has increased immensely in the past 50 years (with the largest growth since 1930) the past three years—due to the war effort—have meant more to Brazil than any other period. Industrially, Brazil has in that time expanded 25 to 30 per cent. Although ordinarily, it would have taken 50 years to accomplish what has been done in three the growth of industrial plants in Brazil has been steady.

In 1920 there were 13,000 plants in Brazil employing 275,000 persons. In 1940, 70,226 plants employed 1,412,432 workers. That was prewar activity.

Likewise, in 1920 there were only 356 power plants. This number, 20 years later, had increased to 1,200. No other American republic, outside the U. S., can show such an advance. The tempo now



Brazilian walnut awaiting shipment to the U.S. Brazil has an abundance of splendid hard woods but is lacking in soft woods

ties. The Amazon Valley has a greater variety of plant and animal life than any other region on earth. Some of the finest materials for making insecticides come from there.

Brazil's splendid hard woods first found a market in Baltimore and Philadelphia 120 years ago. Strange to say, Brazil is lacking in soft woods of which we have an abundance. There is great

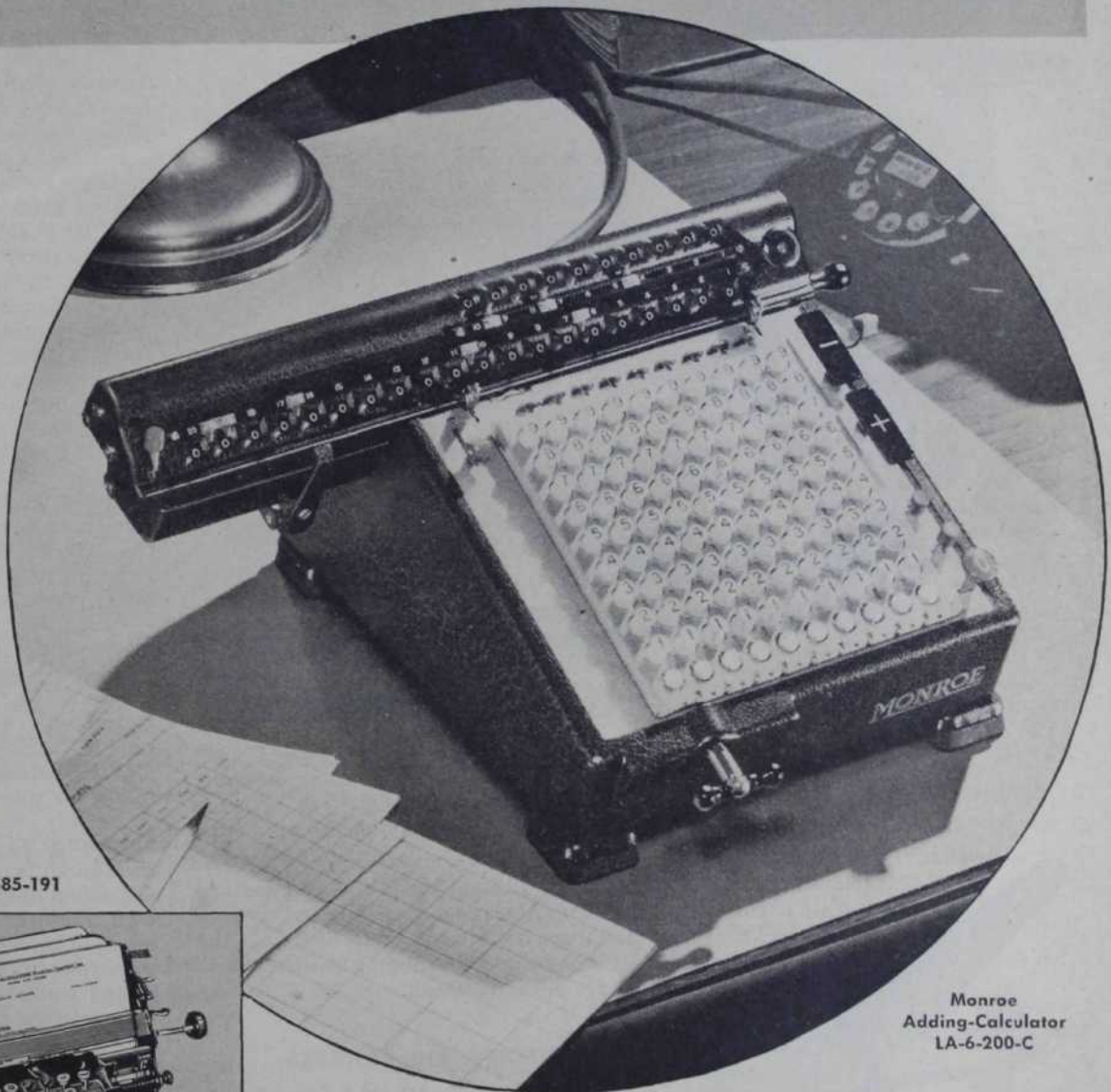
abundance of linseed and tung, it makes paints and varnishes. From the carnaúba palm a raw material has been extracted since 1886 for the manufacture of automobile, floor and furniture polish, and phonograph records.

**Minerals:** In minerals, Brazil is one of the world's richest areas. Along with coal, copper and iron, there are huge



# MONROE

CALCULATING • LISTING • ACCOUNTING MACHINES



Monroe  
Adding-Calculator  
LA-6-200-C

Monroe Accounting Machine 209-485-191



Monroe is the world's standard Adding-Calculator. Its leadership was established a third of a century ago when the first Monroe Adding-Calculator revolutionized business figuring. Today, hundreds of thousands of Monroes are performing arithmetical miracles in offices, stores, banks and factories everywhere.

The same engineering excellence and precision in manufacture responsible for this universal acceptance are found in Monroe Accounting and Monroe Listing Machines. Their modern design and unique operating advantages blaze new trails in making today's accounting procedures simpler, faster, more fool-proof.

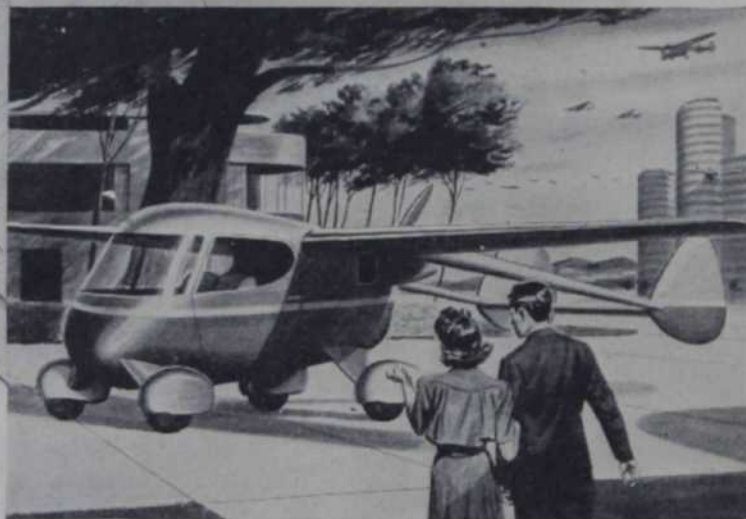
Let a representative from our nearest Branch explain Monroe advantages . . . features . . . low cost of upkeep . . . how a nation-wide system of Monroe-owned branches assures continuity of service.

**Monroe Calculating Machine Company, Inc., Orange, New Jersey**

Sales, Installation and Maintenance service available in all principal cities.



# When Private Planes take the place of fighters.



**A**IRCRAFT makers will have many new models to show. Because, right now, they are working on postwar models—to be ready with jobs for returning servicemen and with private planes for a great air-minded public.

In planning for such conversion, all industry is calling more and more on AIR EXPRESS to save millions of man-hours and dollars through the high-speed delivery of vital material. After the war, of course, the vastly expanded facilities of AIR EXPRESS will serve business in all markets, both here at home and abroad.



**SPECIFY AIR EXPRESS**  
**A Money-Saving, High-Speed Tool**  
**For Every Business**

With additional planes now available for all important types of traffic, 3-mile-a-minute Air Express directly serves hundreds of U.S. cities and scores of foreign countries. Thousands of shippers are saving substantial sums through Air Express, employing its economy and efficiency in an ever-increasing number of ways.

**WRITE TODAY** for "Quizzical Quiz"—a booklet packed with facts that will help you solve many a shipping problem. Dept. PR, Railway Express Agency, 230 Park Avenue, New York 17, N. Y., or ask for it at any local office.

**AIR EXPRESS**  
**Gets there FIRST**

Phone RAILWAY EXPRESS AGENCY, AIR EXPRESS DIVISION  
Representing the AIRLINES of the United States

stepped up, Brazilians are determined to make over their country electrically.

Brazilians have long been sold on our efficiency. Already, the industry of Brazil is being rapidly diversified. Self-sufficiency is approaching. Each year greater attainments are reached in the production of consumer goods. Processing of foodstuffs and production of textiles have become the two largest Brazilian manufacturing industries.

The Brazilians are shrewdly ambitious. They want to make their industries grow. This can be done by importing machinery and equipment from the U. S.

**Transportation:** Inadequate transportation, with such great territory to traverse, has held Brazil back.

In transportation, engineering ingenuity gets full play. Citizens of the United States developed the first railroad in Brazil and it is still the pride of the nation.

Col. Charles Fenton Mercer Garnett, a Virginian, began the railroad in 1856 at the request of Emperor Dom Pedro. Garnett had with him William Milnor Roberts and Charles Jefferson Harrah of Philadelphia, Robert and George Harvey of Richmond, Va., and Jacob Humbird of Cumberland, Md.

These men did the impossible. They tunneled through the mountains back of Rio—nine years' hard work—and broke the barrier to Brazil's economic advancement. At present there are 21,250 miles of railroad and a need for more.

**Highways:** In 1940, highway mileage totaled 258,390, of which 246,926 lacked hard surface. The highway network program calls for use of modern construction methods employed in the U. S.

With better roads there will be demand for more automobiles.

**Shipping:** Brazil's merchant marine is the fourth largest on this hemisphere—and when shipping again comes into its own may climb higher. With 23,000 miles of navigable rivers, dominated by the Amazon, Brazil has one of the finest inland waterway systems in the world.

Coastwise shipping is important because of the vast population living near the ocean. American sail and steamship lines since 1818 have profited by this business and hope to make even greater strides in the future. All the big lines—Grace, United Fruit, Moore-McCormack, and others—still keep their connections with Brazil. Ocean vessels up to 6,000 tons can go 2,300 miles up the Amazon.

**Aviation:** Stimulated by the war, the airlines have already mapped out their postwar business prospects with Brazil. In the year past, seven airlines flew 175,013 scheduled miles per week over 37,728 unduplicated route-miles. For an infant industry that is a record.

Commercial aviation is expanding rapidly in Brazil.

**Automobiles:** In 1908 there were only ten American automobiles in Rio. Since





Another great day in railroading was heralded in January, 1888, when the Atlantic Coast Line ran the first de luxe vestibule Pullman train from New York to Jacksonville, Florida.

## IT'S A GREAT NEW DAY FOR RAILROADING

Today powerful GM Diesel locomotives on the Atlantic Coast Line whisk Florida's fresh fruits and vegetables to major American markets in a matter of hours. This is possible because these locomotives haul heavy trains faster and stay on their job longer with few stops for service.

ONE thing is certain—Americans will have an entirely new level of transportation, post-war. Two factors will make this inevitable:

*The amazing achievements of the railroads under the stress of war.*

*The new and exciting prewar records for rapidity, regularity of service, safety and comfort the railroads had established with General Motors locomotives.*

American railroads are in a favored position to lead in this fine new service because a most vital tool which makes it possible is fully developed and thoroughly proved. Already General Motors Diesel passenger and freight locomotives are operating on more than 100 million miles, annually, of regularly scheduled service.

Yes, it's a great new day for railroading—with even greater days ahead.

**ON TO FINAL VICTORY  
BUY MORE WAR BONDS**



LOCOMOTIVES . . . . . ELECTRO-MOTIVE DIVISION, La Grange, Ill.

ENGINES . . 150 to 2000 H.P. . . CLEVELAND DIESEL ENGINE DIVISION, Cleveland 11, Ohio

ENGINES . . 15 to 250 H.P. . . . DETROIT DIESEL ENGINE DIVISION, Detroit 23, Mich.





## from GI to Blue Denim

When war struck, American business accomplished the tremendous change-over from Peacetime to Wartime production with speed and efficiency. Soon, we hope, the cycle of conversion will be completed, as our industries go back once more to the production of peacetime goods.

Breeze was ready, when the call came, to swing all her facilities into the line of march. Now, with greatly increased plant area and production potential, backed by the knowledge that Breeze products have stood up under the grueling test of wartime service, Breeze will be in a position to answer the demands of peacetime industry with a minimum of delay.

Meanwhile, the men and women of Breeze are working day and night, producing such dependable

products as Breeze Radio Ignition Shielding, Multiple Electrical Connectors, Aircraft Armor, and Cartridge Engine Starters — products that are helping the United Nations to Victory on world battlefronts.



### WRITE TODAY

... for your free copy of "Planning For Reconversion." This 24-page, fully illustrated brochure tells how Breeze engineering and manufacturing experience and facilities can help solve your reconversion problems.

**Breeze**



**CORPORATIONS, INC.** NEWARK, N. J.

then the automobile trade has grown to high proportions, but nothing to what can be attained. The trade is still to be developed.

Heavy motor trucks from the U. S. were taken into the mines in the State of Bahia and elsewhere at the beginning of the war, and excited the admiration of the Brazilians. They want more.

**Farm machinery:** American plows and cultivators are considered precious in Brazil. The first American plows went down there from Baltimore in 1835 and more have been going that way ever since. Present plans are to do intensive, large-scale farming in Rio Grande do Sul, a state bigger than France. The farmers there have been quick to pick up our methods. They want tractors.

**Iron and steel:** The war has given impetus to iron and steel production in Brazil. Rolling mills, heavy machinery and other equipment must come from the U. S.

With steel as a base, Brazil is ready to launch its greatest period of prosperity. The great steel mill project at Volta Redonda is near completion. To cost \$75,000,000, it will utilize high grade ores and produce 750,000,000 tons of steel annually. These ores, incidentally, are not only of the finest quality, but they represent one-quarter of the known iron reserves in the world.

**Rubber:** Rubber, a raw material of world-wide basic importance, was first sent from Brazil to the United States in 1810. When bicycles and automobiles came in—creating a demand for solid rubber tires—the Amazon Valley prospered. The City of Para jumped to a bustling and wealthy community, and became for a time the rubber capital of the world.

When the rubber industry grew too large to depend on Brazilian supplies, the market moved half way round the world.

When this war opened and Germany was cut off from her rubber supply, she turned to synthetic rubber. After Japan cut off the Allied Nations' main sources of rubber, the allied market swung back to Brazil for all the raw rubber that nation could provide.

Rubber or no rubber, Brazil and the United States have intensified their commercial relations that go back 144 years.

Reliable information has it that the United States Department of State will not begin issuing passports to Europe and the Far East for pleasure travel until at least two years after the war. When the last shot is fired, all restrictions on inter-American travel will be partially, perhaps entirely, lifted.

Even now the road to Brazil is open for legitimate business travel. For those who intend to make the journey on business bent, the United States has a financial agency equipped to make international loans—The Export-Import Bank—to help finance foreign trade.

Look southward, business man, look southward!



## Produce Now— Compete Later

(Continued from page 32)

"If there is any yes-man here, he can get out right now. We don't want him."

### Held down the paper work

HE CUT the paper work that has been the curse of government management. An ordinary claim for priority came before him, backed and drowned under a stack of reports and statistics. He called in the man responsible:

"What the hell! I haven't time to read that stuff. I'd be older than Methuselah. I want a report on one sheet of paper."

The steel situation had been cleaned up by the spring of 1943 and Batcheller asked to be released. This time it was Charles Wilson who said no:

"You are to be joint operations vice chairman."

By the end of the year the critical materials program was in hand and he returned to Pittsburgh. "Cap" J. A. Krug succeeded Donald Nelson as chairman and Batcheller went home. His office was running on greased wheels. He knows how to pick men—although he does not precisely know how he does it and if he makes a mistake he fires 'em—and he believes that the way to get the work done is to hold to those who want to go home and get rid of those who want to stay. He told Krug he wanted to quit, he did quit, and Krug sent a plane to bring him back from his farm in New York to handle a new set of problems. He appealed to two of the most important men in the Government. He had most important work to do at home.

"But Cap Krug is sitting on my neck."

One of them—big as the biggest except the biggest of all—said:

"Come back tomorrow and I'll let you know. But I think I'll be on your neck along with Cap Krug."

The directors of the Allegheny-Ludlum Corporation that day received a letter that knocked them out of their chairs. The heat had been turned on. He agreed to come back for 90 days. That period came to an end in the second week of December, 1944, but instead of returning to Pittsburgh Krug went out on a trip and in his absence Batcheller was made Acting Chairman. He was able to report to the WPB that the threatening shortage of Army necessities had been licked.

"We slugged it out."

He will not talk reconversion or post-war plans. Winning the war is his single objective. But when the war is won:

"The steel companies are like one big company," he says. "They take what they are given to work with and they make what they are told to make."

That's fine—now:

"But after the war they'll be back where they used to be. Competing like hell. That's the way it should be."

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interference with your management ... no restrictions on your operations. Let us give you full information about this service ... which has advanced well over a billion dollars to manufacturers and wholesalers in the past 3 years. Write, wire or phone.

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**T**HERE are sound reasons behind the fuel saving record which Iron Fireman has built up in many thousands of boiler rooms.

1. Every installation is planned by Iron Fireman engineers, who know how to get maximum efficiency from your boilers.

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3. Iron Fireman is always on the job through its nationwide sales, service and engineering organization.

For free engineering survey of your boiler room write Iron Fireman Mfg. Co., 3770 W. 106th St., Cleveland 11, Ohio. Other plants in Portland, Oregon; Toronto, Canada.

## IRON FIREMAN

AUTOMATIC

COAL STOKERS



The Iron Fireman Coal Flow stoker feeds direct from bin. Coal is slowly preheated in the retort as it is fed from below. The released gases pass through the fire and are burned instead of passing up the stack. Coked coal is consumed in the incandescent fuel bed. No fuel waste.

## Work Sheet for the New Congress

(Continued from page 30)

President Roosevelt cautioned that wage controls were necessary to prevent runaway inflation so long as war demands created scarcities of consumer goods. At Chicago he pledged that, at the end of the war, when more goods would be available, wage controls would be dropped and pay scales would be set by collective bargaining between trade unions and employers.

But now, supplementing organized labor's apparently gaining drive to break the Little Steel Formula, the 78th Congress had before it—as will the new one—the Pepper plan under which any wage below 65 cents an hour would be recognized as substandard.

The Pepper resolution does not seek to amend the Fair Labor Standards Act, with its 40-cent minimum hourly wage, or to set by statute any wage floor. It would "permit" employers to raise wages, without asking permission of the War Labor Board, to a 65-cent level. When an employer refused to meet a demand for an increase to the new minimum, the WLB, if it found the workers' case meritorious, could require compliance with the demand.

William H. Davis, chairman of the WLB, has given his "personal" endorsement to the proposal.

Thus it is agreed that a new and higher minimum wage, by-passing the Fair Labor Standards Act, could be established to affect an estimated 11,000,000 workers, and at the same time push up correspondingly scales in the brackets immediately above, to preserve differentials.

### Cost of living index

**THIS**, it might be added, may be significant in view of the fact that, while the President's Cost of Living Committee, appointed more than a year ago to study the increased living costs during the period covered by the Little Steel Formula, upheld the findings of the Bureau of Labor Statistics, it allowed in its findings a margin of from 3 to 4½ per cent for "hidden factors." The BLS had estimated the rise in living costs during the Little Steel period (Jan. 1, 1943—Dec. 1943) at 23.4 per cent. The labor members of the WLB, introducing "hidden factors," set the upswing at 43.5 per cent. It may be assumed that these differences will not be settled here. The Wage Stabilization Law expires on June 30, 1945, thus leaving it to be fought out in the new Congress.

Meanwhile some phases of the price question remain unclarified. The OPA is determined to keep prices down. Some other segments of the Administration, including the White House over-all set-up itself, talk as though they would like to see controls relaxed.

War manpower problems persist—and

the Congress may have to step into this—to threaten not only the reconversion program through which the "full economy" is expected to be reached, but the postwar reemployment goal itself. There are disturbing factors. Not the least of them is the sweeping counter migration of workers from essential war production jobs to nonessential fields.

War Manpower Commission controls have been by-passed by many thousands of workers who, industrialists report, are simply checking out without bothering about their certificates of availability which would transfer them from one essential job to another. It is suspected and said, though not in official reports, that war workers are "on the move to beat the veterans home to the permanent jobs." There is no law now to prevent this.

"With Congressional approval." The Administration significantly attached this condition to its plans for unprecedented expansion of our foreign trade and, through it, the providing of "millions more jobs."

Thus, the responsibility for these jobs is put into the lap of the new Congress.

### Shipping and transportation

**THE** peacetime Merchant Marine, with bigger, faster vessels for foreign trade and pleasure travel; air transport under conditions that will give this country its full share of the business; these and other programs, vital if the country is to hold its place under the postwar sun, will require the new Congress' consideration.

Plans and efforts at international agreement on a fair distribution of the load and prize have been under discussion for months. The new Congress will have an important role here.

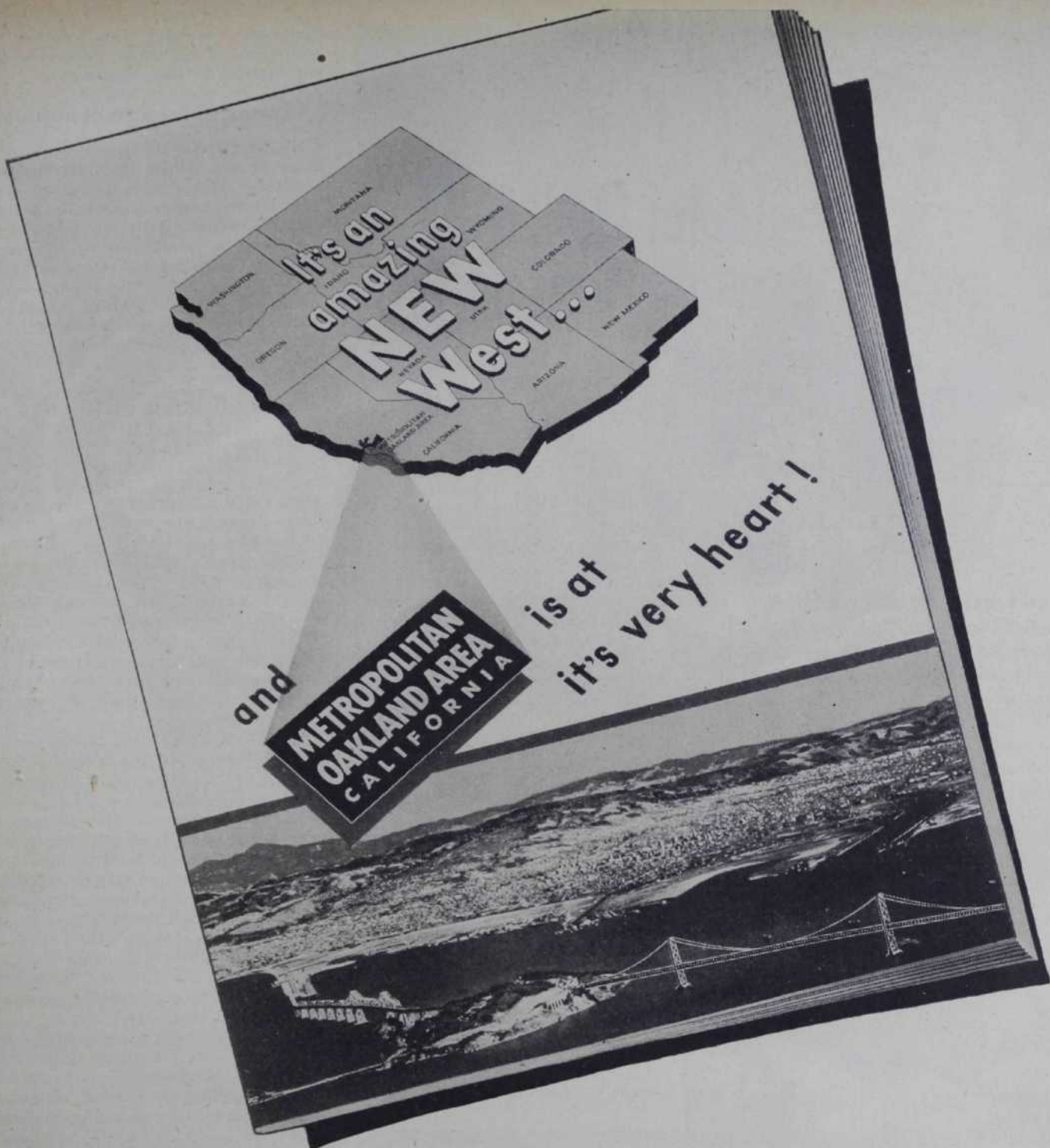
All nations have advanced, under the pressures of war, in air transportation. All nations, it is added, want—naturally—to carry these advances into the era of peace, recovery and prosperity.

It is conceded that the Allies of today are the friendly competitors of tomorrow.

From the sea-surface angle, where postwar world competition promises to be particularly keen, the peacetime utilization of the war Merchant Marine is on the planning boards. America's record output of war cargo-carrying bottoms is under study, recent White House meetings have disclosed, for the conversion, with a minimum of overhauling, of the wartime Merchant Fleet into a peacetime armada.

Expansion of the Export-Import Bank from a lending power of \$700,000,000 to one of perhaps \$3,000,000,000 to meet the demand for foreign credits at war's end, likely will be one of the new





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Congress' earlier considerations. A minimum of political controversy is anticipated on this question.

## Loans to foreign countries

SUGGESTIONS for the repeal of the Johnson Act, which prohibits credits to countries which have defaulted World War I loans, are not new. The pending foreign credits legislation, which is expected to be duplicated, or renewed in the new Congress, would prescribe that all loans made by the Export-Import Bank, as well as private commercial loans made in participation with the bank, would be exempted from the Johnson Act.

## Ratification of treaties

IT IS not likely, according to today's outlook, that the making of treaties for the maintenance of world peace will become an all-Congress function. The revived proposal to permit "ratification" of treaties (this is really a misnomer, for the Senate actually participates in the composition of treaties and ratifies what it agrees upon, nothing else) by a majority vote of the Senate and the House is being received as coldly as ever by those Senators who have blocked it in the past. The make-up of the 79th Congress indicates that the situation will not change.

But, even though the House may remain relegated to the sidelines in the matter of the making and approving treaties, it will have a vital role in collateral programs which could spell success or failure of arrangements made between nations by formal pacts. Lend-Lease is an example. There are others, such as those involving extensions or terminations of Presidential war powers, appropriations to finance the programs (and these must originate in the House); and the approval or rejection of international agreements, as distinct from formal treaties.

Lend-Lease will present a major problem to the new Congress as it reaches into the "second phase" of the war at a time, according to present rough estimates, when the existing authorizations are about to expire, on June 30, next. Congressional preparations will have to be made well beforehand. Agreements already concluded with Great Britain promise to bring into the open a true measurement of the extent to which isolationism has actually retreated.

After the defeat of Germany, it is provided, there is to be a 43 per cent reduction in Lend-Lease aid to Britain, but of \$5,500,000,000 to go to that Government in the year following V-E Day \$2,700,000,000 is to be in munitions and \$2,800,000,000 in non-munitions items designed to aid in British physical and economic recovery from the war's blows, including a regaining of her export foothold.

This, it is conceded here, is a matter which will bring the isolationist instinct, if it still lives, out of hiding.





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Yes, this is a strange looking banquet board . . . but in real life it represents a vast industrial table that lies midway between the North and the South and extends from the Midwest to the Atlantic Coast. This industrial table is all set for you.

On the menu, you will find an unusual variety — the waters of many rivers, bituminous coal, limestone and other minerals; forests, electricity, a great port, a fine railroad, and many other choice items — all served by intelligent native workers at friendly tax rates, in a climate without extremes, and at a table with plenty of elbow room. In short, here is a menu that will satisfy the palates of most industrialists, including those in plastics, textiles, heavy chemistry, woodworking and agricultural products — just to mention a few.

Before you establish a new industry, relocate or expand, investigate Norfolk and Western territory. Write: Industrial and Agricultural Department, Norfolk and Western Railway, Roanoke 17, Virginia.

OHIO  
KY. W. VA. MD.  
VA.  
N. C.

**Norfolk  
and Western  
RAILWAY**

FOR BETTER PLANT LOCATIONS

## When the Veteran Sets up Shop

(Continued from page 24)

selves and the veterans. The activities of the Richmond, Va., Business Clinic suggest how such services can be effectively rendered.

Whenever a demobilized service man calling at the U. S. Employment Service or the Veterans' Placement Bureau indicates a desire to enter business for himself, he is referred to the Business Clinic, where he is provided with a pamphlet, "How Returning Servicemen Can Succeed in Business." If, having read the pamphlet, he still wants to go into business, he talks over his plans with three experienced Richmond business men drawn from a panel of volunteers.

If he does not "pass inspection" with this group, the veteran is then referred to a file of employment opportunities, and, if possible, to the kind of job which is likely to increase his qualification to enter business for himself later on. If he does pass inspection, he is turned over to a second group of business men who have a special interest in the field of his choice. Later he is referred to a bank, for credit assistance; and to a real estate advisory group, for aid in obtaining suitable location.

Others, also, are preparing to tell the veteran of the risks. These are stressed in textbooks which the U. S. Department of Commerce has been preparing for the armed forces on the establishing and operating of various small businesses.

### Starting new retailers

AS ONE of its activities in helping returning service men get properly started in business, the United States Chamber of Commerce is publishing a comprehensive booklet on, "What It Takes to Be a Retailer." This booklet is down-to-earth and practical, based on actual experience. It covers such subjects as opportunities in the retailing field, aptitudes, capital, knowledge, selecting a location, store building, stock and fixtures, records, management, and business ethics. A copy may be obtained without charge by writing to the Domestic Distribution Department, United States Chamber of Commerce, Washington 6, D. C.

How the veteran as business man will make out is, of course, still in doubt. To the young men and women concerned, the risks are varied and great, but so, too, are the opportunities. Will youth take advice, or just plunge in?

What today's business man can do about it is try to get the veteran started off on the right foot in business. And, having helped him off to a career as a small business man, keep on guiding and helping him, until he can keep going on his own, because no matter how painful the first steps may be, GI Joe will be tomorrow's business man.



# HOW TO TAME A *BLIZZARD*



**S**CUDDING IN from the northwest, the clouds gather for their blitz-run over the city.

But no longer need people huddle in their overcoats... awaiting the sun's return—or men with puny shovels—to clear away the traffic-paralyzing blanket of snow.

For at the first sign of a falling barometer... Sanitation and Street Commission engineers are on the alert. By storm's break their flying squads of trucks are out spreading over the main arteries of traffic, the overpowering enemy of snow and ice... *Sterling Rock Salt!*

Digging in fast Rock Salt keeps snow from packing and bonding to the pavement... often melts it all away leaving the pavement free and clear. Safe for traffic. But even should the storm get off to a head start... the "Auger-

Action" of Rock Salt comes to the rescue. Spread over the hardest packed fall its biting crystals bore through the snow and treacherous glare ice... breaking them up for easy removal by scraper and plow.

Yet this use for salt merely emphasizes the versatility of this familiar mineral. For there is hardly an industry that does not use salt. And to the majority, *International* is "Salt Headquarters." First, because of the unsurpassed quality of its product, Sterling Salt. Second, because of the unique salt processes developed exclusively by International. These processes improve production. They save man-hours and money.

International Salt Company, Inc., Scranton, Pa. and New York, N. Y.—Sterling Salt for every use—in industry, agriculture, the home.



# Glass Shatters Its Traditions

By PHILIP H. SMITH



**Resin-impregnated Fiberglass cloth protects fuel cells better than metal sheets formerly used**

**THE OLD ADAGE:** "People who live in glass houses should not throw stones" is a casualty of war.

Come V-Day, it will be not only possible but practical to make houses—or the stones to throw at them for that matter—out of a material which was once the world's best example of fragility.

That is a rather spectacular achievement because the war should have dealt one section of the industry—the flat glass makers—a shattering blow. When automobile construction was stopped, the market for about 75 per cent of all plate glass was snipped off. The other great consumer of flat glass, the building industry, folded up except for gov-

ernment approved construction.

In spite of that the glass industry went right ahead. Accustomed to keen competition it accepted the war simply as an added spur. Almost overnight, many of the new types of glass went to work with the military; glass makers scurried around to find new uses for their product.

As a result, glass today is almost a new material, modern and ready for the postwar world.

The alert glass maker has made the most of the upheaval caused by war. He

**ALMOST** a new material, glass will be ready for the postwar world and whatever competition may come

has improved his product and fitted it to specific jobs. Today, glass is made in radical forms to compete with insulating materials, textiles, metals and wood. It has been combined with plastics to the advantage of both materials. Some of its new uses may lapse when metals are more abundant, but the net effect should be larger peace-time markets.

Brittleness is no longer an essential characteristic of glass. If you want a tough glass you can get it. Tempered glass, formed by case hardening under tension, is five times stronger than ordinary annealed glass. It is so tough it



**One lens in this mask is acid-resistant, the other is old-style lens glass**

is being used on military planes. In laminated form it provides a sort of transparent armor capable of stopping bullets. It is also being used for portholes.

A disk one-quarter inch in thickness will take the buffeting which used to require use of inch-thick glass. Tempered glass has high thermal resistance which makes it eminently suitable for the portholes through which furnaces





*One of a series illustrating Cyanamid's many activities.*

## “...and they lived happily ever after”

Cynics to the contrary, endings in real life frequently turn out the way they do in story books. This story concerns the thousands of people afflicted with an incurable disease—pernicious anemia—who are now leading active, happy lives, thanks to the use of liver extracts.

After it was known that liver contains a principle exceedingly active for treating pernicious anemia, the problem was how to obtain this principle in a concentrated form for injection.

Realizing the benefits such an extract would bring, research workers at Lederle Laboratories planned and carried out a program of research which resulted not only in producing the desired concentrate but also in making liver extracts available on a commercial scale. And through continuing research, Lederle

has made further refinements of this product, so that today Solution LIVER EXTRACTS *Lederle* are accepted throughout the world as an effective weapon against pernicious anemia and other conditions. The results these extracts give are so remarkable that patients receiving regular injections under proper medical care may expect to live as long as the average person in the same age group.

Meanwhile, new uses for these liver extracts are continually being discovered. They are employed by physicians as an aid in the treatment of sprue, gout, obstetric and other anemias. The armed forces are using them for a variety of medical purposes.

The development of LIVER

EXTRACTS *Lederle* is just one of the numerous ways in which this progressive medical unit of American Cyanamid is helping to promote the efficiency of medical science in safeguarding human lives.



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**O**n more jobs

**F**or more good reasons !



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AND COMMERCIAL CARS

TRUCK-ENGINEERED AND TRUCK-BUILT BY TRUCK MEN



are watched. Owners of the station wagon type of automobile who have suffered window breakage due to warping of the wood body have found tempered glass a cure-all. This glass has to be made to size because it cannot be cut without fracture once it is formed.

### Something new in plate glass

PLATE glass has been given new values by production in curved form that does not distort vision. Safety glass, made of curved plate glass with plastic sandwich material, was just coming into use on automobiles when car production was stopped. Heretofore, such glass had to be flat. This placed severe limitations on body streamlining.

Curved plate glass is going into swank shops. You've probably seen the display window which gives the illusion of being without glass. The plate glass is placed to eliminate tell-tale reflections.

By varying the constituents of plate glass, manufacturers have been able to produce a type which allows 70 per cent of the solar light to penetrate, but blocks out about 55 per cent of the solar heat. Another type, having a slightly roughened surface, diffuses the light rays and cuts down heat transmission. This latter type, less expensive than the former, is suitable for factory installation where direct rays of the sun affect processes unfavorably.

Another improvement in window-panes is an insulating glass called Thermopane. It is designed to stop the heavy heat loss through window areas which has been an obstacle to proper house insulation. Thermopane may play a similar role in reverse when air conditioning becomes more prevalent.

A Thermopane insulating glass unit comprises two or more panes of glass separated by a layer of dehydrated air. The unit is sealed at the edges with a metal-to-glass bond. With a double pane unit, heat losses are reduced roughly 50 per cent; with three panes they drop about 65 per cent. By the use of different types of glass in the unit, values can be altered. For instance, if the emphasis is on cooling for air conditioning, the heat load can be reduced by using a heat absorbing plate glass for the outer pane; if great strength is needed, the outside pane is made of tempered glass. The fading of products in a show window can be reduced by the use of an outside pane which reduces the passage of ultra-violet rays.

This solution to the heat loss problem sounds simple—only a modification of the familiar storm sash—but it took years of experimentation to reach it. The trick was to exhaust all moisture between the panes and then to get an effective, durable seal. Any moisture condenses to obscure vision and will, in time, destroy the surface of the glass. Obviously, the seal must withstand expansion and contraction indefinitely. If the seal is broken, moisture will enter and dust will follow. To get a permanent seal, therefore, has been the final achievement.

Architects believe this insulating pane opens the way to getting more outdoors into homes without added penalties. They are building what are known as solar houses.

A solar house has large windows—often large enough to represent glass walls—protected by overhanging roofs. The exact degree of overhang is figured for the locality of the house so that it will shut off the direct solar rays in summer when the sun is high in the heavens, but admit them in winter when the sun hangs low. Such a house has abundant daylight the year around. It is cool in summer, but warm in winter because the sun's heat passes through the insulating panes on a short wave length to warm objects in the room. Once inside, the heat cannot escape because its re-radiation is on a long wave length which won't pass through the glass.

After the war you are going to hear a lot about Foamglas, an all-glass insulating material which is right in step with Thermopane.

### A new type of insulation

FOAMGLAS is made by foaming or cellulating glass with gas so that it becomes a mass of tiny, sealed bubbles—5,000,000 bubbles to the cubic foot. The finished product comes in black colored panels 12 by 18 inches and anywhere

from two to six inches in thickness.

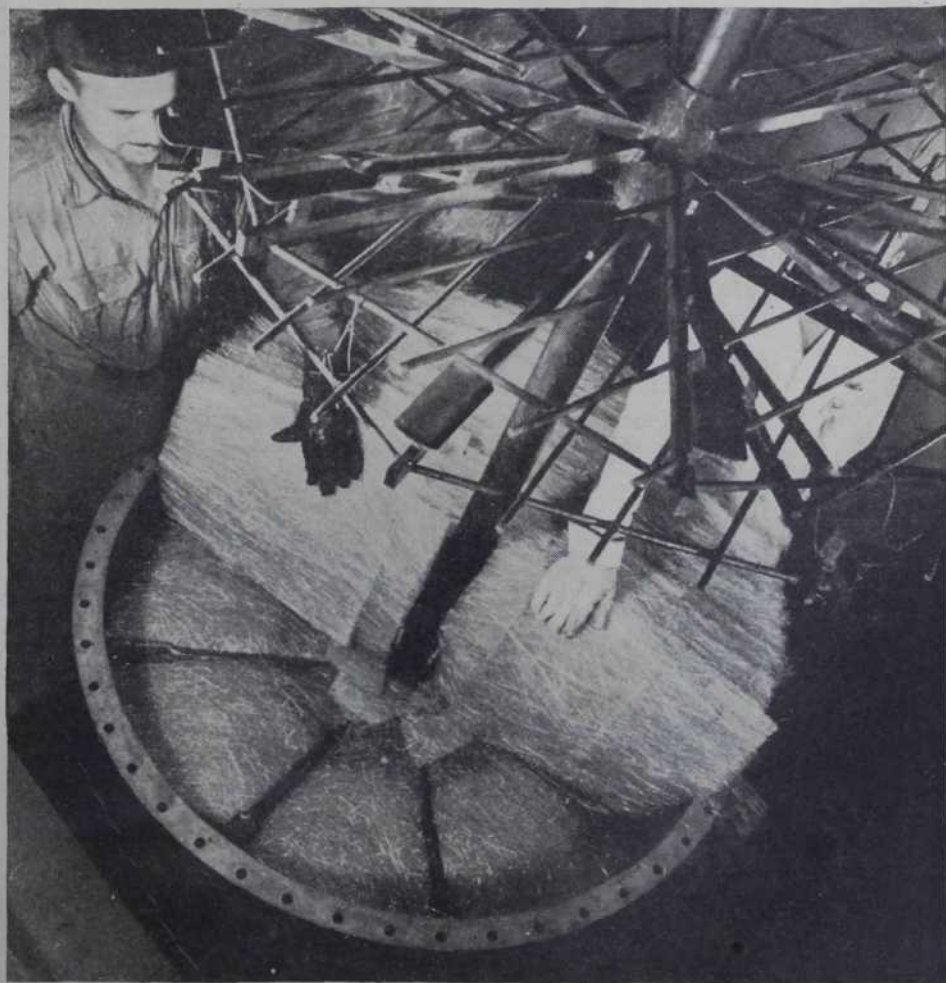
This material is especially well suited for insulating cold storage rooms or places where there is condensation because it is impervious to water. It will support its own weight in wall construction but is not suitable for load carrying. It won't absorb odors, is fire-retardant and resists the action of acid atmospheres. It can be sawed like lumber but vermin won't gnaw their way through it.

At this moment the Navy is using Foamglas for life rafts, life boats, and floats of many kinds. Enemy bullets won't set it afire and, if one does go through, the raft's buoyancy is impaired only to the extent of the bubbles destroyed.

It is a long jump from window glass to glass which competes with textiles, metals and wood. The product which makes this jump is Fiberglas—a glass thread, familiar to many as a prewar product, but only now showing its great potentialities.

Fiberglas was used first for electric and thermal insulation and, in matted form, for oil and air filters. With the coming of war it was woven into a cloth for filtering blood plasma while, in thread form, it served for sutures in surgery.

Fiberglas has been woven into heavy cloth for fireproof curtains, but it isn't suitable for clothing because glass fila-



Use of glass fibers in the distillation process speeds up the production of alcohol for the manufacture of synthetic rubber



# CAPITAL FOR EXPANSION

## *Life-Blood of Postwar Business*

It's almost axiomatic that adequate capital is the life-blood of expanding business. It opens many doors to progress, and acts as a financial shock absorber against the unforeseeable future. The opportunities ahead—broad, open markets to be entered, modern government-owned plants and machinery available for purchase—exist for the corporation *in position* to expand.

As investment bankers, it has been our privilege to assist wide-awake management in preparing the financial foundation for such expansion *now*. New financing takes careful planning—and *time*. Our facilities and experience have been utilized in underwriting new issues and setting them up in line with requirements of the Securities Acts. Establishing price, correct timing and sound distribution are other phases in which our experience and facilities are of value.

If you are "thinking postwar", *this* may be the time to consult with one of our partners about similar service in obtaining new capital for *your* firm.

During 1944 this firm has raised new capital through public offerings for the following corporations:

**ATLAS PLYWOOD CORPORATION**—noted maker of plywood packing cases.

**DIANA STORES CORPORATION**—a chain of 26 women's apparel stores in the South Atlantic States.

**NATIONAL CONTAINER CORPORATION**—a leading maker of kraft pulp, kraft paperboard, corrugated and solid fibre shipping containers.

**THE DRACKETT COMPANY**—manufacturer of chemicals, including the household cleaning products "Drano" and "Windex;" also soybean oil and oil meal.

**BUFFALO BOLT COMPANY**—89 year old manufacturer of nuts, bolts and rivets.

**ALLEN B. DuMONT LABORATORIES, INC.**—prominent in the field of television, manufacturer of electronic devices and radar equipment.

**SOLAR MANUFACTURING CORPORATION**—maker of electrical appliances for industrial, radio and household fields.

**FRANKLIN STORES CORPORATION**—a chain of 52 women's apparel stores in Texas, Louisiana, Mississippi, Oklahoma, Arkansas and Minnesota.

## VAN ALSTYNE, NOEL & Co.

Members

New York Stock Exchange New York Curb Exchange

52 Wall Street, New York (5)

ments cut each other and the constant flexing given apparel in the wearing would break down the fabric.

Weaving glass with asbestos is a new practice with much promise. It makes a stronger, smoother fabric with a very pleasing texture. Glass-asbestos fabrics are being used for gun boots and to protect aircraft structures from hot exhaust gases. A hint of things to come may be found in the interest night club operators are showing in Fiberglas fabric drapes. Right now there is a shortage of Fiberglas and fine-cut asbestos yarns and redecoration must wait on peace.

The whole story of Fiberglas in war is not yet known, but there are facts enough to explain why interest in it has soared.

The Army has recently revealed its use to reinforce the new low-pressure plastic laminates to produce a material having a strength-weight ratio higher than that of aluminum. Glass fibers have little strength in themselves—neither have the plastics—but combined they create a material which tends to flex rather than to dent when struck. Airplane fuselages made of glass laminates are reported to be 50 per cent stronger than metal ones, 80 per cent stronger than wooden types.

### Glass in many new places

MANUFACTURERS now busy turning out glass laminate airplane parts such as tail cones, fuel tanks and instrument housings, see great postwar possibilities.

It is reported on good authority that one producer has a line of kitchen and bathroom equipment ready to go—sinks, refrigerator boxes and wash basins—while another concern plans to manufacture small boats. There is no apparent reason why glass laminates cannot be used for truck and trailer bodies and for the panels of prefabricated houses.

Fabrication of this laminate is simple. Impregnated plies of glass cloth are molded over inexpensive forms while in a pliable state and cured to permanent hardness by heat. However, partially offsetting the low cost of fabrication is material cost—it is more expensive than ordinary plastics—and the long time required to cure. It is more suitable, therefore, for products manufactured in small quantities than for mass production.

For example, canoes could be made without reinforcing ribs, at lower cost, while automobile fenders can be produced faster by the present method of stamping unless curing time is greatly shortened.

When sheet metal became scarce, plate glass was introduced for many products for which it had not been previously considered. It replaced both metal and wood for table tops. Some of this is unquestionably temporary but, where the tables are used for processing in manufacture, the ease of cleaning and sterilizing and their resistance to spot-



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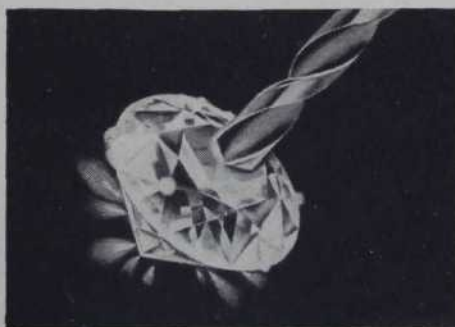
U. S. industries. And new ones are being born constantly as Process Products specialists discover new needs and find the answers . . . in petroleum.

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There's a complete line of Process Products serving the textile industry. For instance, rayon manufacturers have special rayon processing oils for soaking, coning and finishing operations.



A new product from petroleum is in use now on the delicate precision job of drilling industrial diamonds.



Army field rations, dehydrated foods, first-aid kits and other items are protected by Micro-crystalline waxes.



In meat packing houses, Process Products are used to provide protective coatings for chutes, meat hooks and knives.



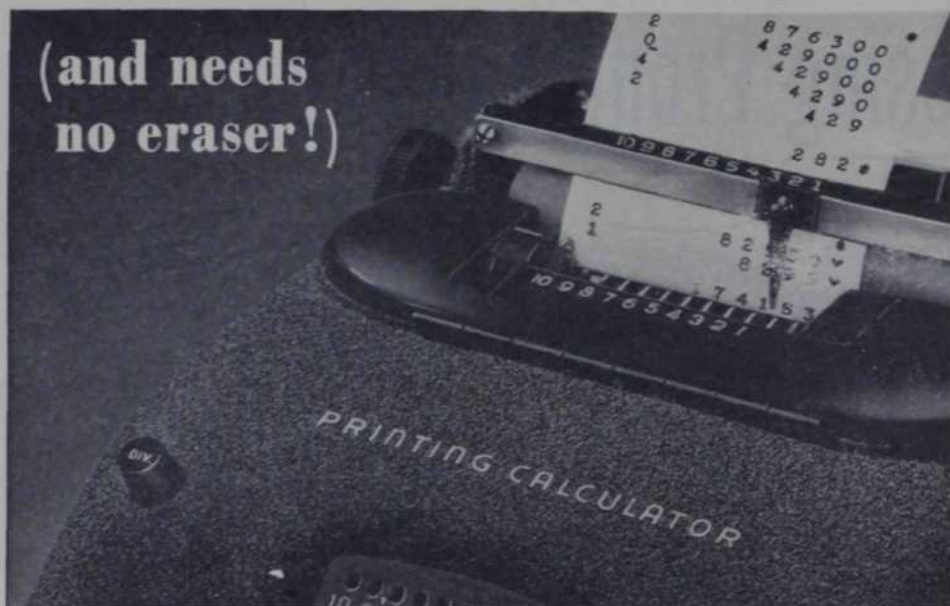
Cordage manufacturers depend on Process Products to lubricate fibers and give protection against fungicidal rotting.

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# This calculator carries its own pencil

(and needs  
no eraser!)



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Printing is only *one* of the valuable features you get when you invest in the Printing Calculator. There's also simplicity... a compact keyboard with only 10 numeral keys... a one-hand span of all operating keys. There's ease of operation, too. No specialized training is required. Proficiency comes quickly and naturally.

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It's a sweetheart, as thousands of users testify... cutting red tape on calculating payrolls, estimates, costs, invoices, formulas, taxes... percentage problems of all kinds. It can cut red tape in *your* business, too. We'll gladly show you how. Phone our nearest office.

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The only PRINTING calculator with automatic division

ting are advantages worth retaining. Wartime stoves have been made with heat resistant glass wall linings and tempered glass doors. Whether or not this innovation will last depends upon the housewife.

For many years glass piping has been a necessity in certain chemical processes using acids. Now it is being used in dairies and food processing plants because it is easy to inspect and sterilize. Recent contributions to piping have been mainly advances in the technique of joining.

It is now possible to weld lengths of glass pipe electrically and to use standard pipe fittings.

One of the most novel uses of glass is its application to gauge manufacture. Plug, ring, snap and profile gauges have been produced for war work. Glass was chosen as a substitute for scarce metal because of its stability. Other advantages are visibility, freedom from rust, which eliminates greasing and degreasing, and the fact that dropping on the floor doesn't affect precision.

On the other hand, glass gauges can shatter unpredictably on impact and their wearing quality hasn't been established, which may explain why interest in them diminished shortly after their introduction.

Similarly war-induced are glass rope and all-glass water faucets. The former, introduced because of the shortage of Manila hemp, features resistance to heat and corrosion, but here as with textiles, the rubbing of one glass fiber against another slowly breaks down the structure.

### It's made in finished form

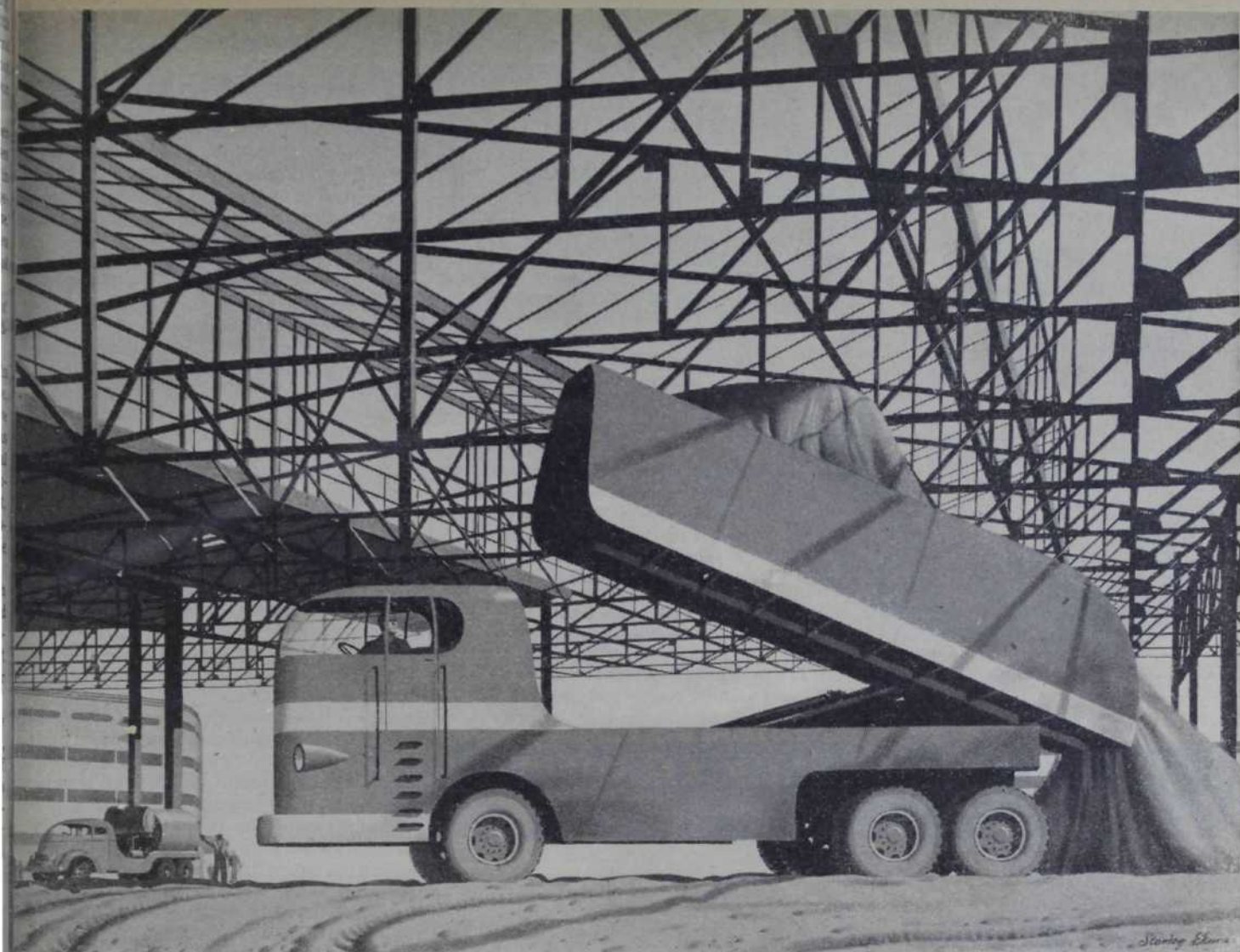
IF GLASS lent itself to forming after production, water faucets and similar articles might be more common but, except for cutting up sheets or tubing, glass is in finished form when it is made.

The fact that glass can be had in many new forms, coupled with a war-generated interest in its potentialities, suggests much more rapid development in the future. There are unexplored opportunities to bond glass with other kinds of material and one type of glass with another.

Safety glass and low pressure laminates show what can be done when glass teams up with plastics. Fusing glass and a colored vitreous material to make a chalk or blackboard is another practical example of bonding. The bonding of glass to glass has already produced transparent armor and there can be unions just as valuable for peace. Experiments in fusing glass with metal are being conducted and promise successful outcome.

Some of the experiments now going on may come to nothing. If they do, the industry will undoubtedly think of others to take their place. Even if it doesn't, it already has enough to offer to invade fields where it once was only an interested onlooker, and to hang onto markets that it might have lost except that it didn't know it was licked.





## AS LOADS GROW THE NEED GROWS—FOR *Finger-tip Control*

Economy in hauling heavy materials by truck depends upon tonnage per load, operating efficiency between stops, and rapid load discharge. Moving bigger loads faster, and speeding up "turn-arounds," help to save driver fatigue and result in more trips—bigger tonnage hauled.

HYCON hydraulic systems, installed in top-capacity dump trucks for coal and heavy materials, give *finger-tip control* to driving and dumping operations. Compact HYCON high-pressure systems will operate clutches, brakes, lifts, and steering devices on heavy vehicles. They will control or actuate machine tools, giant presses, materials-handling mechanisms, and remote control circuits; test high-pressure apparatus; and do many hydraulic jobs better.

Improved by research, war-gear performance tests, and the lessons of forced-draught production, HYCON pumps and valves, and assembled power units—*providing pressures up to 3000 pounds per square inch*—are available to improve your product, or to add efficiency to your plant facilities. Our engineering and hydraulic research specialists are at your service in solving problems in actuation. Write today for detailed information, or for the assistance of a consulting hydraulic engineer.

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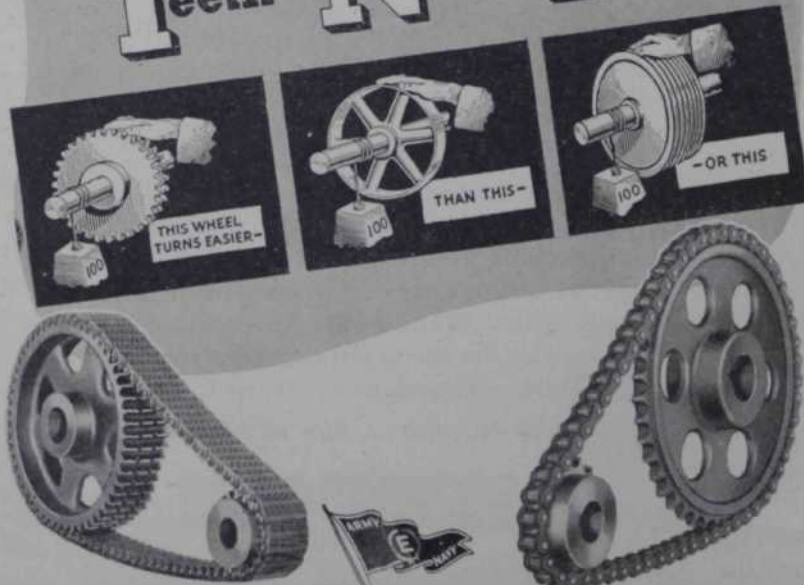
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## A New Europe in the Making

(Continued from page 26)

Each league withered and died but proved two truths:

The first is that the plain people, those who give their sons and all who suffer and pay, do not want war.

The second is that any league which puts the might and wishes of a few powerful nations above the rights of the weak and smaller is doomed to fail.

Ornate documents will not insure world peace and armed force cannot intimidate forever those who smart under injustice. Only a league whose voice is impartial to the great and to the small will have the support of all people.

London has announced that Spain and probably Eire, Portugal and Argentina will be barred from the peace conference. They are among the less than a dozen countries, including the Vatican, which are neutral in this war.

In the league's prospectus, nations are divided into freedom loving and aggressor groups. As no nation ever lacks a pretext for getting into a war, the grouping depends entirely on who makes it. No nation ever denounces itself as an aggressor and as decisions of the proposed security council, defining a nation as an aggressor and calling for league action, must be unanimous, none of the 11 members of the council ever will be an aggressor.

Aggressors will be found only among defeated Axis nations or the weaker members of the league. Actually, it makes little difference because even if the council should decide that one of the big three—the United States, the Soviet Union and Great Britain—was an aggressor, the league could do nothing about it without starting another world war. The blocs which England and the Soviet Union are organizing in Europe will be in evidence in the new league.

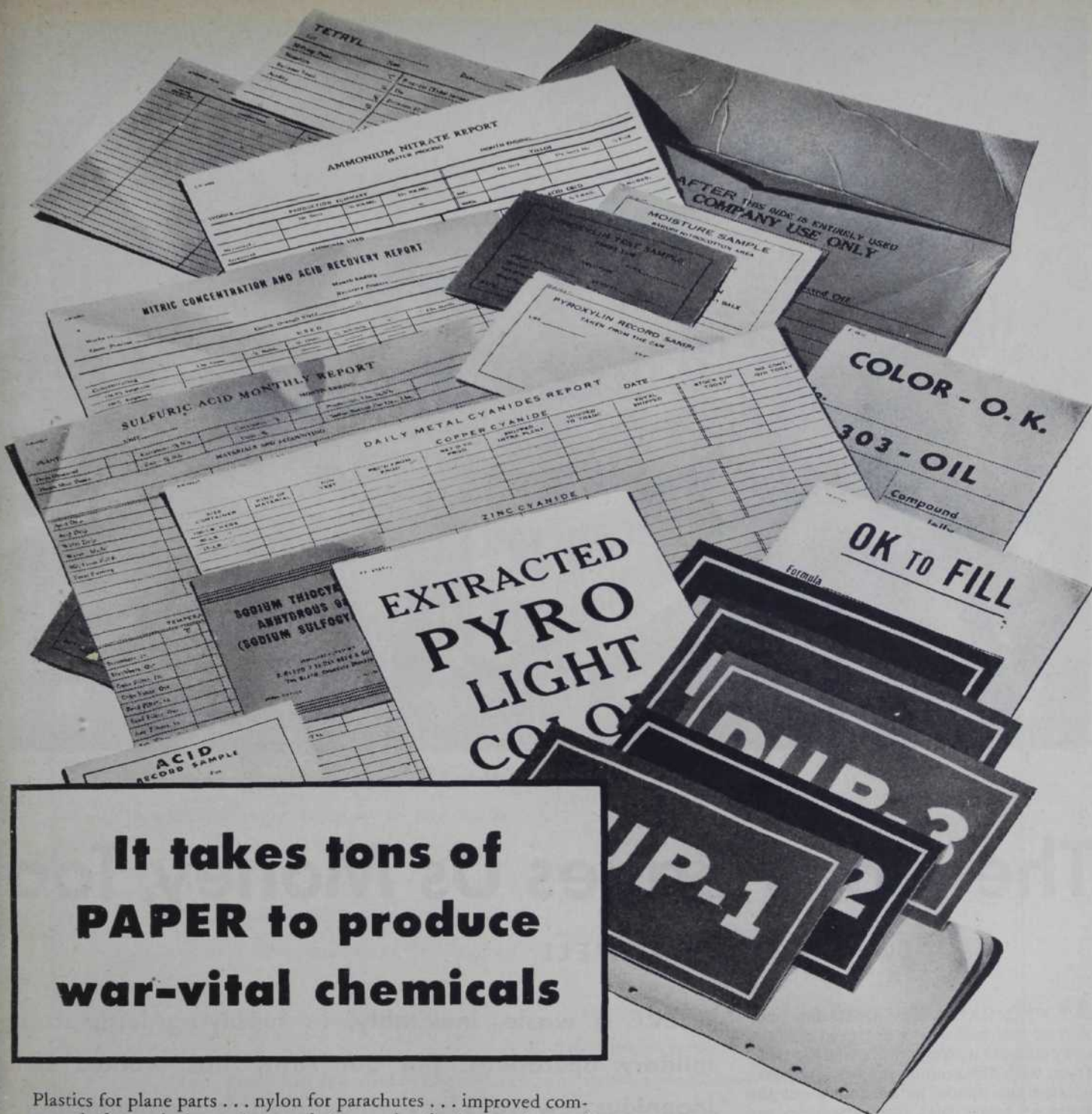
### Peace table must be won

THE United States, swinging from "isolationism" to "internationalism" with too little understanding of what international cooperation really means, will take its place at the council table as a full partner in winning the war. But that is only the first—or military—phase of peace-making.

Two other phases—the political and economic—play an even greater part in cementing the lasting peace which we hope will follow this war. Those phases are inseparable because there can be no economic freedom without political freedom.

Other nations are already actively bending those phases to conform to the shape of their own governments. If Americans are to insure the world democracy for which they are fighting, they must show the same win-the-war spirit at the peace table that they have shown on the battlefield.





## It takes tons of **PAPER** to produce war-vital chemicals

Plastics for plane parts . . . nylon for parachutes . . . improved compounds for explosives—these and thousands of other products of chemistry are needed to win the war. And paper plays a vital role in their production.

Directing the chemical industry are hundreds of silent "supervisors"—the *paper* laboratory reports, sample slips, instruction tags, and labels.

"Keep your powder dry." This old military adage is made a reality by special wrapping and lining papers that protect shipments of T.N.T. and other explosives.

In manufacturing over 5,000 products, the chemical industry requires paper for thousands and thousands of different uses. Indeed, paper is an essentiality to the "industry which serves all industry."

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**SAVE WASTE PAPER**—Paper is a vital war material. It is the duty of every American to make full use of each piece—to save all waste paper and have it collected regularly.

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SIGNAL CORPS

A shoe repair depot in New Guinea gets salvaged shoes into usable shape

# The Army Saves Us Money, Too

By HERBERT MAXWELL

AT FT. MEADE, Md., an Italian prisoner of war picks up a battered canteen and connects it to a compressed air hose. Then, with 150 pounds pressure pushing against the inside, he hammers out the dents so easily that four prisoners are able to repair—the Army calls it reclaim—500 canteens a day.

War is still wasteful, of course, but the Army's effort to get the most possible use out of every piece of equipment has saved the taxpayers an estimated \$200,000,000 and developed a whole arsenal of ingenious devices that business may be able to turn to peacetime service when the war is over.

Much that looks like hopeless junk to the uninitiated is sent to one of the country's 67 reclamation centers and returns to the battle lines.

Take a worn-out pair of shoes. After two resolings, which is the average number, shoes are examined and routed for a third resoling, if the condition of the uppers warrants it. Otherwise they are classified for rebuilding. Washed

**THERE is waste, inevitably, in supplying large-scale military operations. But our Army has worked out ingenious new ways for saving materials and manpower. Business might find some good ideas here it can use**

and disinfected, they look like new and have the advantage over a new pair because they are already broken in!

The estimated production of rebuilt shoes this year is about 4,300,000 pairs, saving about \$16,000,000 dollars in the procurement of new shoes. At the same time an estimated 10,000,000 square feet of critical upper leather is being conserved, making larger quantities available for the civilian market. Even used boxes and cartons are put back into service: reglued, restapled, repainted, and readdressed. All seams are reinforced. All old markings are obliterated with a waterproof lacquer.

Wherever possible, the Army saves American manpower by using German or Italian war prisoners in its reclamation work. In the workshops, therefore, large bilingual signs to guide the worker are often posted, and over special doorways, in language every German understands, one encounters "Eintritt Verboten!"

Fort Meade has a typical reclamation center, under the direction of Col. Wilmer M. Flinn, Quartermaster Corps, and Major C. F. Bertschinger, Ordnance Department. Serving the Third Service Command, it reclaims not only the shoes, overshoes, clothing and other equipment dropped off by the troops who pass



# It's not what money costs but what it does that counts

---

*A five ton truck* costs more than a team of horses. But if the job calls for a truck, the difference between horse-power and horse flesh doesn't count. The only thing that does count is end-results.

*The same reasoning holds true* when it comes to money for your business. What counts is the job to be done. If it's a financing job where the money will be put to work for years, perhaps—to buy needed equipment, handle more volume with present capital—or to replace the government's tax money you've been using—the need for short term repayment out of the life blood of your operation may prove to be costly indeed in the final reckoning.

*Yes, our charges are higher* than bank rates. But ordinary arithmetic will

prove to you that the interest rate is secondary to the result. That is, when the result is added profit, added progress, added safety.

*For the purposes mentioned here*, the cash your business can quickly secure from us will, under ordinary conditions, be at your disposal indefinitely. It makes no difference whether your needs are for \$50,000 or for \$500,000—or more. In effect, this money will serve as capital money. Yet there will not be the slightest interference with present management.

*You may consult with us* concerning your specific needs without obligation, and in strictest confidence. Write, phone, call or wire.

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*In 1943 our volume exceeded \$200,000,000*

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# FRIDEN

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a convertible calculator, with full automatic features. Should electricity fail or not be available the FRIDEN convertible mechanism permits hand crank operation, without loss of the full automatic operating features. Truly a "Combat" calculator...ready for action in a foxhole, tank, command car, or in a headquarters office. Friden also provides BUSINESS with accurate figures, combating the shortage of competent help. Telephone or write your local Friden Representative for complete information and availability of these calculators.



*Friden Mechanical and Instructional Service is available in approximately 250 Company Controlled Sales Agencies throughout the United States and Canada.*

through there, but also battlefield scrap, which comes to it from the Army's nearest Segregation Center at Frederick, Md.

Clothing is handled by the ton. After cleaning, it goes to an ingenious sorting turntable where it is resized, inspected, marked for needed repairs, and classified: (A) for combat serviceability, (B) for domestic military use, or (X) for work use.

### Ideas for business

BUSINESS men told about the rotating inspection table feel that it may have many useful postwar applications, as may many other Army-developed ideas that frequently give the impression that some of Rube Goldberg's more elaborate ideas have been adopted. Postwar applications are seen, among other things, for:

- Device for holding felt and leather in sewing gussets on machine-gun scabbards;
- Tool to bevel and mark leather on machine-gun gussets;
- Device for counterbalancing cranking apparatus on a plating tank;
- Tool to cut straps on money-bag handles and another for trimming the center of such handles;
- New method of packing folding chairs for shipment;
- Hinged gates for easier emptying of waste-paper crates;
- Tool for creasing cardboard, to cover the edges of sharp tools;
- Jack for stacking tent hoods;
- Device for baling cardboard;
- Pressure gun that lubricates sealed bearings without dismantling.

Under a special act of Congress, the War Department pays cash to civilian employees whose suggestions improve production methods and administrative procedure. Last year this system produced many useful ideas at a cost in cash awards of only about \$36,000. The awards range from \$5 to \$250.

Robert Guenther, 26 years in the Ordnance service, collected two of them. The first was for a combination clutch and vise that made it possible to unscrew the clip receiver from World War I Enfield rifles without calling in the strongest Italian prisoner on the post. The second was for a device for bending unfit rifle barrels, a necessary step in disposal.

Other suggestions have resulted in a machine that is all elbows, but wraps rifles beautifully for shipment; a scale set into a roller conveyor line to make it unnecessary to lift heavy bales off for weighing; and a system of marking chutes used in unloading lumber so that the workmen can tell instantly the length of each board handled. The lumber chute, used at the San Antonio depot, is saving 3,774 manhours a year.

The contrivances and economies introduced into Quartermaster-Corps operations and reclamation work have not been limited to the United States, but are applied abroad as well. Reclamation

# FRIDEN

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Georgia's imposing state capitol at Atlanta reflects the proud traditions of the Empire State of the South. In 1896 the U.S.F.&G. entered Georgia and soon extended its activities throughout the Southern States.

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In Georgia, as in every other state, U.S.F.&G. safeguards both business concerns and individuals from loss through burglary, employee dishonesty, legal liability, accidents and ill health, even the breakage of plate glass . . . as well as affording protection under all types of surety bonds. If you or your company are not fully protected against such hazards, consult the U.S.F.&G. representative in your community.

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## AQUA DISTILLATA — by the Tanks Full!



Signal Corps Photo, U. S. Army

Fighting men need large quantities of clean, fresh water. Here, in New Georgia, one of Cleaver-Brooks distilling units draws water from the sea and pours crystal-clear, safe, health-protecting water into a storage tank. Not in drops or dribbles, but in a continuous stream as water pumped from a deep well ... palatable water to quench the fierce thirst of jungle fighters.

All over the Pacific area, wherever American soldiers fight, Cleaver-Brooks distilling units bring that refreshing relief so

vital to men who fight hard. Water—cool, refreshing, drinkable water — isn't transported like oil or munitions or material. It must be made usable wherever it is found.

The Cleaver-Brooks organization possesses the engineering talents and manufacturing facilities to develop time and cost saving machines and methods. If your business requires the use of steam or heat for power, processing, construction or other use, bring your problems to Cleaver-Brooks.

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CLEAVER-BROOKS PRODUCTS INCLUDE:



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Special Military Equipment

units are attached to Army forces in every theater of war. In New Guinea, for instance, a 260 man shop out in the wilds is even prepared to detail troubleshooting crews for quick on-the-spot repairs to any make of typewriter—except Japanese.

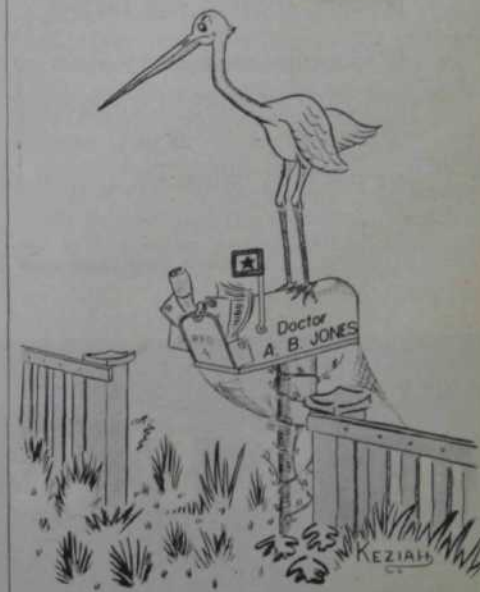
In this country after being told that it could not be done, the Army has stepped up the volume of quartermaster typewriter repair by 300 per cent and cut reconditioning and overhaul expense more than half by introducing the assembly-line principle.

The system originated in the Office of the Quartermaster General, which sought some means of overcoming the lack of skilled workmen in its depots where the stocks of typewriters awaiting major repairs before reissue were constantly increasing. These machines were urgently needed, because no new machines are being manufactured for the Army and the machines used by it must undergo constant repair and reconditioning. Quartermaster repairmen have reclaimed many machines which have been turned in as irreparable, including typewriters salvaged from sunken ships or badly damaged by fire.

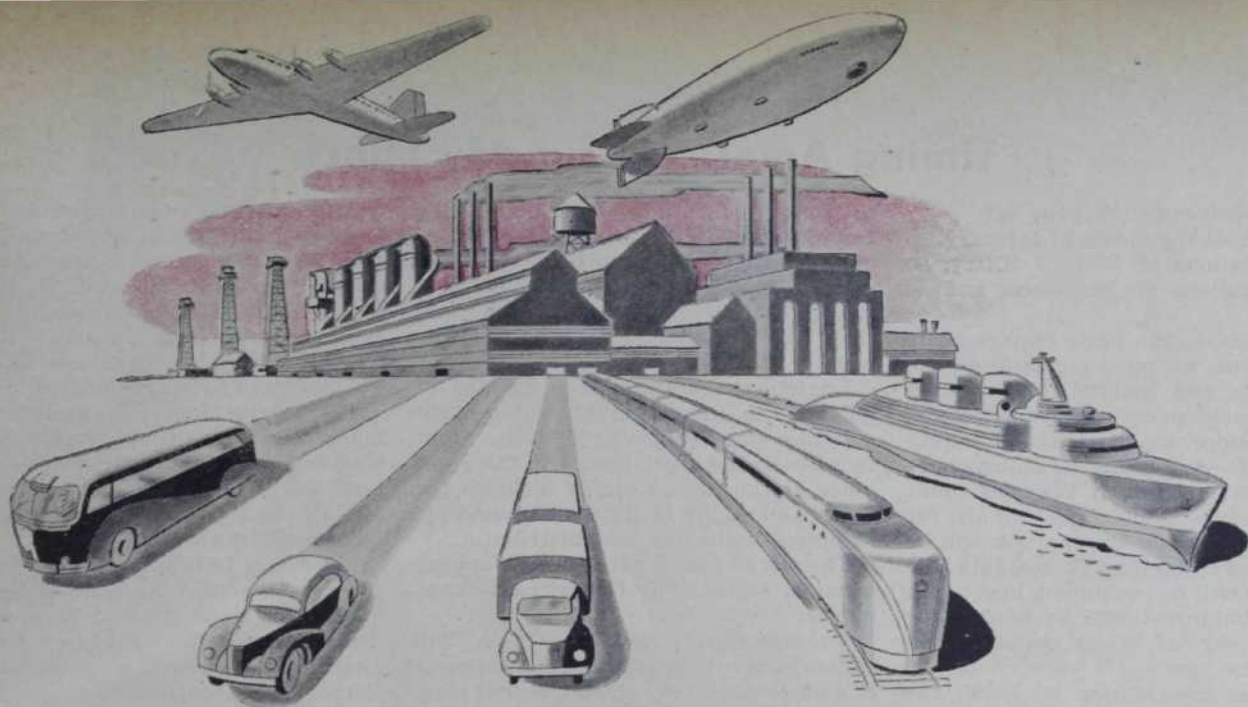
A typical "line" is composed of 12 operators and three repairmen. Each operator accomplishes one step or phase in the repair operation, then passes the machine on to the next in line.

Formerly, a single mechanic was assigned one machine, on which he performed all operations. It was found that each workman was usually skilled in repairing only one or two makes of typewriters. Under the new system, each operator performs only one type or phase of the repair, becoming rapid and efficient in that operation with all makes and models.

Meanwhile, a few American businesses are already learning that reclamation pays tangible dividends. When soldiers preparing to go overseas turn in unauthorized equipment, towels are among the articles discarded. The Army painstakingly sorts these out and returns Pullman and hotel towels to the people from whom they were "borrowed."







# FLUID POWER ENGINEERING

## *by Parker*

### FLUID POWER

Confine fluid in a closed system, apply power at one end, and you deliver power instantly at the other end.

That is Fluid Power—based on hydraulics—the 1944 way to get work done. Any kind of work—hard or easy, brutal or delicate. Precisely-timed work or remote-controlled work.

You can step Fluid Power up or step it down—to lift a tank or wind a watch. You can make it fit the job. You can flow it around corners and into tight places. You can regulate it, by valves, within precise limits.

### TRANSMITTING FLUID POWER

Fluid Power is transmitted through tubes; it needs no shafts, gears, pulleys or belts. Tubes themselves are simple devices, easy to cut, bend, join or put in place.

But when a system of tubes is used to transmit Fluid Power, it calls for wrinkle-free bends, leak-proof fittings, precise operating valves, flow without obstruction. It gets to be an engineering job.

### FLUID POWER ENGINEERING

That's been Parker's business for twenty years—designing Fluid Power tubing systems, engineering them, building valves and fittings, and making fabricating tools. Often we do the fabricating, too.

War demands have made industry more and more aware of the great number of things Fluid Power can do. For us, that has been the basis of a healthy growth in experience and knowledge, and the variety of our products.

Today, you'll find Parker-engineered Fluid Power systems in refrigerators and bombers, in chemical plants and locomotives—everywhere in industry.

### LOOKING AHEAD

With at least one eye on the future, wouldn't you like to talk this through now with a Parker engineer? No matter what you make, or what kind of machines you operate, you are likely to find some interesting possibilities in the Fluid Power idea.

An interesting booklet, giving you more facts about Fluid Power, will be sent on request. Address Parker Appliance Co., 17325 Euclid Ave., Cleveland 12, Ohio.

## PARKER

APPLIANCE COMPANY

CLEVELAND • LOS ANGELES

### FLUID POWER ENGINEERING



## Timing America's Sunday Punch

(Continued from page 44)

the number of regiments of Infantry, so many battalions of Field Artillery, so many battalions of Engineers and so forth.

In addition to the basic requirements in equipment, we must compute all the spare parts and maintenance to keep this equipment in operation for a given period. Besides, we must have a safety margin of everything as insurance against loss in shipment. We must count how much expendable supply to add for training, how much ammunition will be used on the range and in combat, how much food will be consumed, how much hospital equipment will be needed for a specific period. When possible, this period is one year.

With this information on hand, the Army goes to industry with its requirements. Here again, shifts usually are made. The requirements of the Army must be brought into focus with productive capacity. Thus the ability of the home front to produce the tools of war limits the strategic plan.

Having determined the size and requirements of the Army as a whole, the next step in logistical planning is to determine what number of what troops will be placed in the numerous theaters of operations. Having determined this, the planners must develop the quantities of supplies and equipment required in each theater for the support of its troops.

### Plans for each campaign

EACH campaign, however, has certain additional needs, known in the War Department as operational requirements. To cross the rivers of France, for instance, we had to have bridges. These had to be put in production more than a year before D-Day. For the development of roads and airfields in the Pacific, tractors, bulldozers, and trucks are necessary. For Pacific landing operations many amphibious vehicles, "ducks" and "weasels," so much tropical clothing, so many medical supplies must be on hand.

In the first year of the war many of these requirements were anticipated in ASF Headquarters in Washington. They had to be because the theater commanders were just forming their staffs overseas and beginning to study future campaigns. No one knew just what campaigns would be inaugurated or where or when. Therefore it was necessary for the ASF planners to get as much as possible into production immediately. It was known that, wherever the war was to be fought, certain equipment would be needed. So procurement plans were made for thousands of miles of pipeline, millions of gasoline cans, for artillery shells, mortars, and hundreds of thousands of other items.

After the theater commanders formed

their staffs and studied their plans, they began to send into Washington additional requirements to support contemplated operations. These flowed in an increasing stream; they still are coming in; they will continue as long as the war lasts.

Logistics, therefore, is a science of getting the right amount of the right supplies and equipment and the right number of the right troops to the right place at the right time. It includes the many thousands of details in planning, shipping, unloading and distributing.

The words "anticipated needs" appear often in secret War Department documents.

To supply an operation that will utilize a new major piece of equipment or a new weapon, we should have at least 18 months' to two years' advance notice. To supply a major operation in which no new weapons are contemplated, we should have 15 to 18 months' notice. The combat planners can rarely give us that long. But it takes time to build factories, design tools, collect raw materials, train workers and get into production.

### Advance planning required

THIS conflict between the needed time and the time actually at our disposal was resolved early in the war by Lt. Gen. Brehon Somervell, Commander of the Army Service Forces. He knew that combat leaders had to think in terms of campaigns, so he plunged in and made procurement and logistic plans for hundreds of thousands of items in anticipation of future requisitions from overseas.

It is fortunate he did, or we might have been unable to meet certain requirements.

The scope of Pacific logistics is tremendous. Planning may involve a decision to increase the canning industry of New Zealand, to utilize or not to utilize the looms of India for tent production.

A decision may have to be made on whether to ship five-gallon gasoline "blitz" cans intact and loaded with gasoline, or to ship, instead, a complete factory, and the rolled steel, so that a friendly country may make them for us and save us essential shipping space. Planning means everything from cooperation with our Allies on all levels down to deciding what is the best method for loading a 200 ton tug on the deck of a Liberty Ship.

It means placing special decks on tankers so they can take thousands of assembled planes to theaters of operations. It involves packaging everything from a tiny steel spring to a 1,000 bed hospital, or a prefabricated warehouse. It means working out the number of tankers, cargo carriers, ships with refrigeration facilities and troop carriers

which must be maintained. It means keeping a stock control system in operation so that fluctuating production and fluctuating army rates of use may be balanced. It means knowledge that an enemy bomber may destroy \$8,000,000 worth of equipment with one lucky hit. The planners have to allow for that, too.

The early Japanese successes led many to believe that his way of waging war, based on light equipment used with lightning force, was the best way to operate in the Pacific. Our Engineers soon upset this thinking. They called for heavier and heavier equipment for the construction of bases, roads and airfields. This trend grew as we sent more and more men and more engineers built airstrips big enough to permit the Air Forces to concentrate our strength and beat the Japs, whose flimsy airfields wouldn't permit them to concentrate their strength.

Larger and larger tractors were sent, bigger tanks, heavier artillery. The American way, the heavy equipment way, paid off.

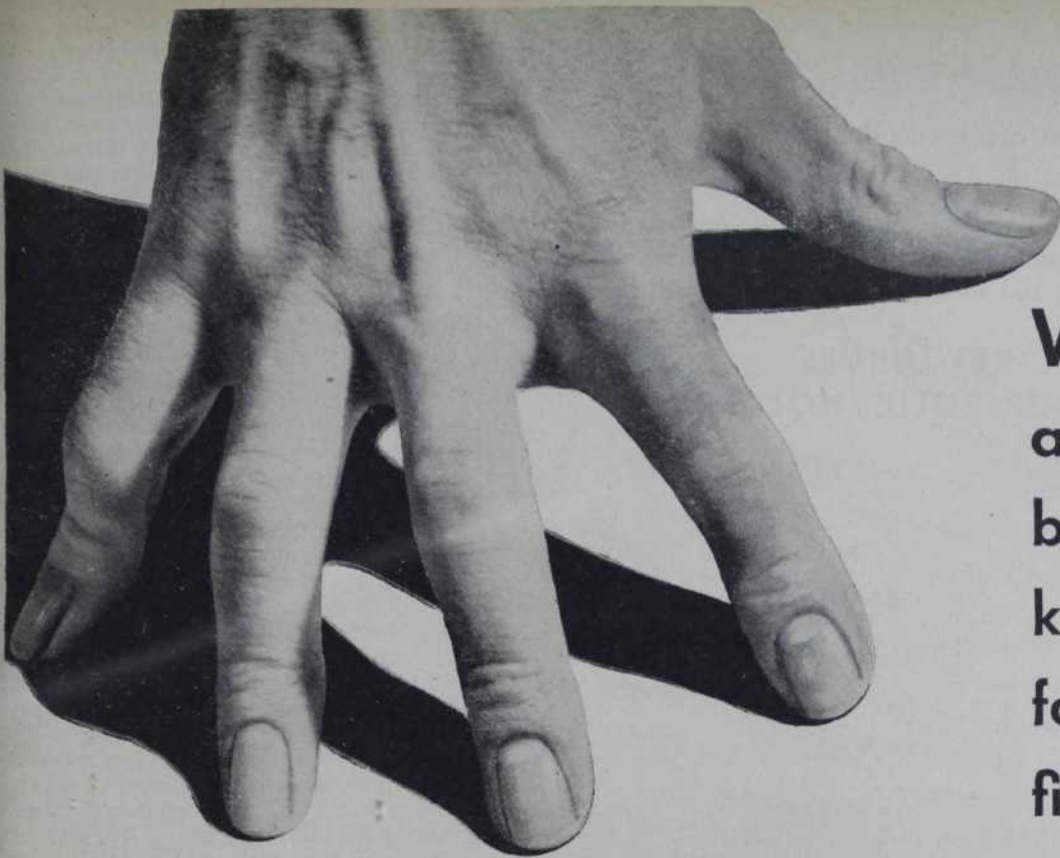
Early in 1942 the Army and Navy were working more or less independently in the Pacific. The overseas harbors and bases had such limited facilities that the competition for their use could hamper logistical support of the forces in these areas. General Somervell sent me into the Pacific at that time to investigate ways of improving the coordination of Army and Navy requirements for supplies and facilities. I conferred with many of our commanders in both the Army and Navy and their staffs in New Guinea, Australia, New Caledonia, Guadalcanal, the Fijis and other installations.

These conferences included General MacArthur, Admiral Nimitz and Admiral Halsey, as well as many others. In the summer of 1943 I returned to the Pacific to find a considerably increased degree of coordination between the Army and Navy. Joint logistics boards had been set up to screen Army and Navy requisitions and to eliminate duplications. A healthy trend had developed in rolling up the rear bases and moving the supplies forward. To a much greater degree than the previous year the Army and Navy were pooling their common items of supply and their facilities.

### Cooperation well developed

OUR improved liaison with the overseas commanders and the supply headquarters in the various war theaters has given all agencies involved a realistic approach to the problems we must face. We have gone to the theaters of war. Overseas commanders have sent their representatives to us. Another healthy factor is the close relationship between the Ports of Embarkation and





## Where a good businessman keeps facts and figures

**T**HE place for the facts and figures on your business is at your fingertips.

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This is true in a manufacturing plant, bank, hotel or corner grocery store, whether the problem is one of handling money or keeping records.

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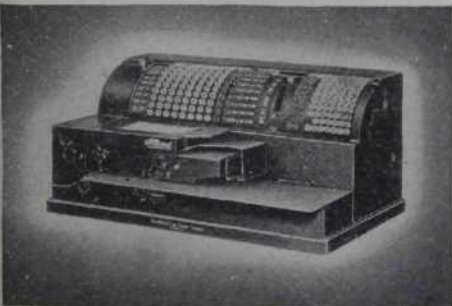
Ask us to prove this without expense to you.

A National representative will be glad to make a survey of your business. If he sees opportunity for improvement he will show you exactly where and how changes can be made to advantage.

Check the system recommended to you from every angle. Plan no action unless you can see a definite saving of both time and money in black and white.

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### THESE RESOURCES PROTECT OUR POLICYHOLDERS

120th ANNUAL STATEMENT  
as of December 31, 1943

Assets		Liabilities	
Cash in Banks and Trust Companies...	\$ 8,378,392.71	Reserve for Unearned Premiums.....	\$12,789,787.34
United States Government Bonds.....	13,063,315.29	Reserve for Losses and Loss Expenses	4,339,270.00
Other Bonds and Stocks.....	17,935,781.27	Reserve for Taxes and Expenses.....	879,900.00
Mortgage Loans on Real Estate	142,179.33	Other Reserves .....	987,063.31
(Less Reserves) .....	32,657.75	Capital .....	\$ 2,000,000.00
Real Estate .....	2,063,682.55	Net Surplus .....	21,238,385.02
Premium Balances Receivable	307,850.03	Surplus to Policyholders.....	23,238,385.02
(Not over three months due).....	61,524.01		\$42,234,405.67
Bills Receivable, Not Due.....	249,022.73		
Interest Accrued .....			
Other Assets .....			
Total Admitted Assets.....	\$42,234,405.67		

Securities carried at \$3,415,000.15 in the above statement are deposited as required by law.

On the basis of December 31, 1943 Market Quotations for all Bonds and Stocks owned, the total admitted assets and surplus would be increased by \$1,054,379.07.



the theater commanders they supply.

General Goodman, of the Overseas Supply Division, New York Port of Embarkation, described this relationship in a talk to Port of Embarkation Commanders and their key officer personnel when he said, "We have to fight the battle for the theater, or we aren't doing our job."

For more than a year, the Army Service Forces, the Services of Supply overseas and the Chiefs of the Technical Services have been surveying the entire chain of supply. The major emphasis has been on time and timing. New forms and procedures have been developed, new equipment put into use, a new identification code adopted and new systems for following up requisitions have been approved.

From the overseas commanders we obtain periodic status reports which give us a better picture of what they have and what they will need. Depot operations have been speeded up; loading, packaging and scheduling have reached new peaks of efficiency. Each time the system looks perfect, it is surveyed—and improved.

Procurement, distribution and storage procedures have been streamlined and standardized to keep supplies flowing. New equipment has been developed and expert demonstration teams sent to the theater commanders to stimulate demand for it. When the overseas commanders requested special weapons, researchers were put to work inventing them.

### Equipment is improved

PACIFIC war requirements for heavy type equipment have not prevented research agencies of the technical services from lightening equipment whenever possible.

The light-load tactical telephone pole, developed by the Signal Corps, with its tremendous saving in time, manpower and lumber is an example of this. The old type pole was cut round and impregnated with creosote. The new type is square, a factor which allows it to be turned out rapidly on standard sawmill machines. Salt treated, rather than creosote treated, it isn't a fire hazard in transit and storage. It packs without waste space. One hundred miles of these new telephone poles represent a saving of more than 400 tons in shipping weight.

The Philadelphia Signal Depot is speeding the packing and shipping of 75,000 different items of Signal equipment by using a power conveyor system. The depot, along with others of the Technical Services, lays special stress on "tropicalization," a process of cleaning, wrapping, labelling and moisture-proofing, which protects equipment in Pacific Ocean and jungle transit. Just before sealing, 80 per cent of the air is sucked out of the package and the top is heat-sealed.

The Ordnance Department has been moving along the same lines. Its packaging experts have worked out rules for the shipment of nearly 330,000 spare





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MANY a manufacturer today is puzzling how to meet tomorrow's war-born taxes and wage scales... and still earn a profit against keen post-war competition. And an important part of the solution is a *strategic plant site*.

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**MANPOWER.** 55% of all U. S. non-farm labor lives and works in the states served by New York Central.



**MATERIALS.** 75% of the bituminous coal and 81% of the steel in U. S. are produced in this strategic region.

**PORTS.** 67% of the nation's Atlantic and Great Lakes traffic moves through ports in New York Central states.



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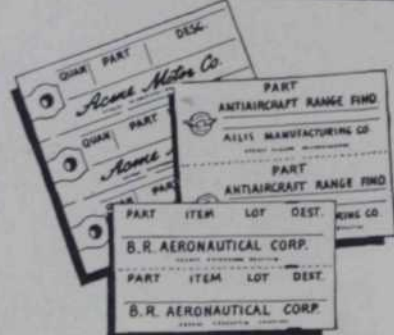
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parts for guns, howitzers, ammunition, motor vehicles, optical goods. Each package is thoroughly cleaned, dried, coated to prevent corrosion, then wrapped in a greaseproof and waterproof container.

Delicate precision instruments get special attention. One of the biggest problems has been to design a method of packaging to withstand sudden extremes of temperature. A plane might be loaded in a steaming jungle, fly at high altitudes 60 degrees below zero, then land in another warm, damp jungle.

Quartermaster Corps experts knew that American soldiers living in the jungle often slept in hammocks with canopies of regular mosquito netting, permitting the netting to hang to the ground to keep insects from working their way underneath. Termites quickly ate their way up the netting and across the hammock and the soldier was apt to wake up on the ground. Nylon was tested. It proved superior and it does not appeal to termites.

## Better packaging is used

THERE'S bilge water in the hold of any ship. When the cargo is stowed and the hatches are battened down, there's a constant circulation of moist air. A ship sailing the tropics may have steel deck plates in the hold as hot as 150 degrees. The moist air rises, condenses, and causes a constant drip on tightly packed freight, even when the boxed packages are as waterproofed as possible. Moisture causes rust which makes precision instruments useless.

There have been literally hundreds of developments like these by all the technical services—new skills, techniques, new surprises for the Jap—but it would be tragic if the day they hit the enemy on his own soil were delayed by production failures here at home.

In spite of the many production miracles of American business and labor, we have, at this stage of the war, current shortages in many vital categories. If, for instance, the rubber tire production program and heavy ammunition output does not improve, this war may be prolonged unnecessarily. We need cranes, shovels, tractors, generators, trucks, road rollers, rubber boats, fire control instruments, pumps, motorized ship equipment and many thousands of other items and we need them now.

One thing more: The war with Germany isn't over. We have to win it before we can hit the Jap with our full strength. The Jap is a fierce, tough fighter. He is waging war on short supply lines that give him many advantages. In total war it is the American fighting man against the Jap fighting man, the American business man against the Jap business man, the American war worker against the Jap war worker. And unless all Americans, soldiers, sailors, marines and civilians stay at their battle stations, the date of complete victory is going to be projected farther and farther into the future, with increased loss of American lives.





## THE HARBORMASTER

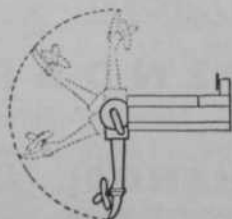
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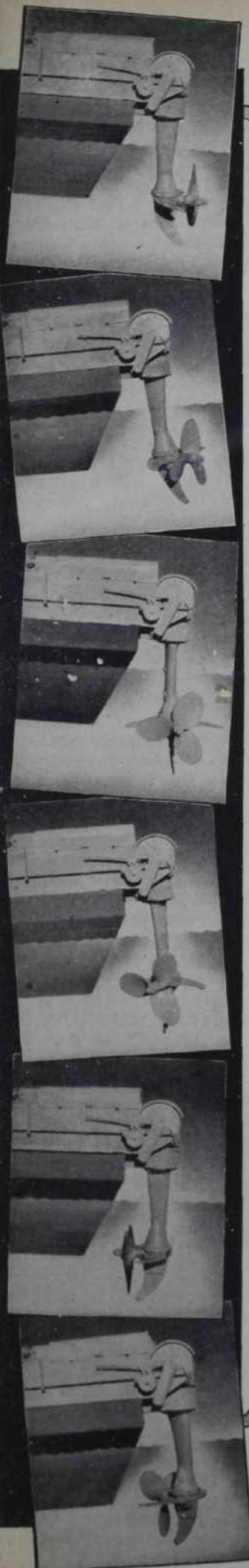
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## What Wage Guarantees Involve?

(Continued from page 27)

since steady jobs and wages for as many persons as possible has been the goal of good management for many years, those who oppose the annual wage are not motivated entirely by stubbornness. Management recognizes the advantages of reducing labor turnover, improving morale, increasing efficiency and lowering production costs. It agrees, too, that regularized employment might save some employers from \$20 to \$40 per \$1,000 of pay roll in unemployment benefits.

Balancing these admitted advantages, critics of the guaranteed annual wage present a number of obstacles.

Many of these stem from the difficulty of controlling consumption.

### Sales leveled off first

THE Proctor & Gamble Company of Cincinnati was able to regularize distribution to a large extent before undertaking to guarantee employment several years ago. It enlarged its sales force, sold direct to retailers and took other steps to stabilize its business. Even so, only 48 weeks' work a year was promised and this security was granted only to workers with two or more years' service. The company also reserved the right to suspend or alter the plan in case of a major emergency such as a fire or flood.

Today the company feels that the guarantee has caused additional outlay for wages but has been worth it because of gains in morale and efficiency.

However, the manager of a business cannot usually tell a recalcitrant customer, "You can't do this to me," with certain hope of making headway.

This point was brought out in the debate over the steelworkers' demands, and a War Labor Board panel found that:

"Unemployment in the steel industry is due largely to fluctuations in the demands for its products. Both seasonal and cyclical influences cause irregularities in demand which result in irregularities in the amount of work available. It has not been established that the steel industry by itself has the ability to avoid these fluctuations."

Although today the steel industry and many others experience less fluctuation than normally because they have only one customer—the Government—the end of the war will find them with many customers again and their orders may be varied and irregular.

If required to meet the CIO's demands in the face of fluctuations such as they have known in the past and with business declining to prewar levels, many companies would find themselves paying full wages to thousands of workers whose help was not needed all of the time. Since, in the steel industry, wages are a critical element in costs, the drain

on some companies' treasuries might be so great as to undermine their credit.

Enders M. Voorhees, finance committee chairman of the U. S. Steel Corporation, demonstrated this with figures before the National War Labor Board:

"Suppose the customers' demands fell to the 1937 level which was the best year in the period which the union calls representative. Then what would be the result if we kept on producing as the union asks? In 1943 we had 340,000 employees and our employment costs were \$913,000,000.

"I have reduced this to \$805,000,000 to eliminate overtime pay; and the other costs have been appropriately reduced.

"If, in such a year, we kept the full 340,000 employees at work but had only the customers of 1937, we would have to find \$582,000,000 over and above the amounts we received from customers and we would have developed an excess inventory of nearly 6,000,000 tons in that year alone. If we chose not to build reckless inventories and paid a large force of men for not working, our costs would be \$281,000,000 more than we received from customers."

The difficulties this kind of operation would have in attracting investors and lenders would then be so serious, says Bradford B. Smith, speaking for the steel companies, that "the Government would have to 'rescue' the industry . . . and so private enterprise in the steel industry would end."

### Workers want industry's tools

MR. VOORHEES states this even more emphatically. In his opinion the workers are now asking, in effect, for conscription of the wages of the owners of his company.

"These (union) leaders," he says, "do not ask that the tools which other people have saved for and bought be conveyed to them. But they do ask for the free use of the tools. That is a distinction without a difference. . . . We are dealing with the freedom to own. That, in America, we have held as a primary freedom."

True, the surplus employees might be used to enlarge inventories. But the cost of handling, storing and preserving steel is high. The capital needed would be tremendous. And technological developments and changes in requirements sometimes come rapidly. Hence, the steel put into inventories might not be the kind, quality, size, shape or finish future customers desire.

Such risks, some economists believe, would make employers hesitate to hire men if required to guarantee them annual wages. Thus the transfer of manpower from war production to useful peacetime work might be retarded.

Prof. Leo Wolman, of Columbia University, declares furthermore that the nature of our economy is such that both



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permanent and temporary labor forces are needed. Enlarging the permanent force, he suggests, would increase the difficulties of the temporary force. Thus, in effect, "some workers would be required to take the rap, or pay the bill, for the guarantee of permanence given to others."

Champions of wage guarantees dismiss emphasis on these dangers as defeatisms.

CIO grants that its proposal is a challenge to the ingenuity of industry, but insists that employers will, if compelled to, find more ways to avert lay-offs. Harold J. Ruttenberg, the steelworkers' research director, quotes the autobiography of Tom Girdler as follows:

"In steel mills, laborers and executives commonly said: 'You can't help having accidents in this kind of work.' . . . Nevertheless, industry found out that it could help having accidents. A force was applied to safety work—the profit motive. . . . Legislation (workmen's compensation) spurred safety work into really effective performance."

The steel industry, Mr. Ruttenberg continues, is now the third safest in America, and he believes it will also succeed in greatly reducing chronic unemployment "when it becomes more costly to have its workers unemployed."

CIO contends, too, that a guarantee of wages would lessen the difficulties.

## Annual wage and steady sales

"IF THE steelworkers as a group are guaranteed an annual wage, thereby assuring the continuity of their full employment, they have the security which permits them to go out and purchase their automobiles, their refrigerators and the thousand and one other articles which require steel," says David J. McDonald, secretary-treasurer of the steelworkers. "This very demand is what creates the demand in the industries that in turn require steel. Nothing could create greater security for the steel industry itself than the security established for the steelworkers themselves."

The makers of steel, of course, constitute only a small fraction of the consumers of steel, but the CIO's contention is that "making part of our economy more stable will help to make the remainder more stable, and at the same time will give rise to new job opportunities."

Other difficulties foreseen in annual wage plans stem, oddly enough, from labor itself. As some contracts are drawn now management which attempted to install such a plan might find labor saying, "You can't do this to me," and meaning something entirely different than the Hormel workman meant.

The Nunn-Bush Shoe Company plan, often mentioned as an example of guaranteed wages, is actually a plan of making wages more flexible rather than freezing them. Although this Milwaukee concern assures its workers regular employment and 52 pay-days a year, their income is directly geared to the money value of total production. This wage

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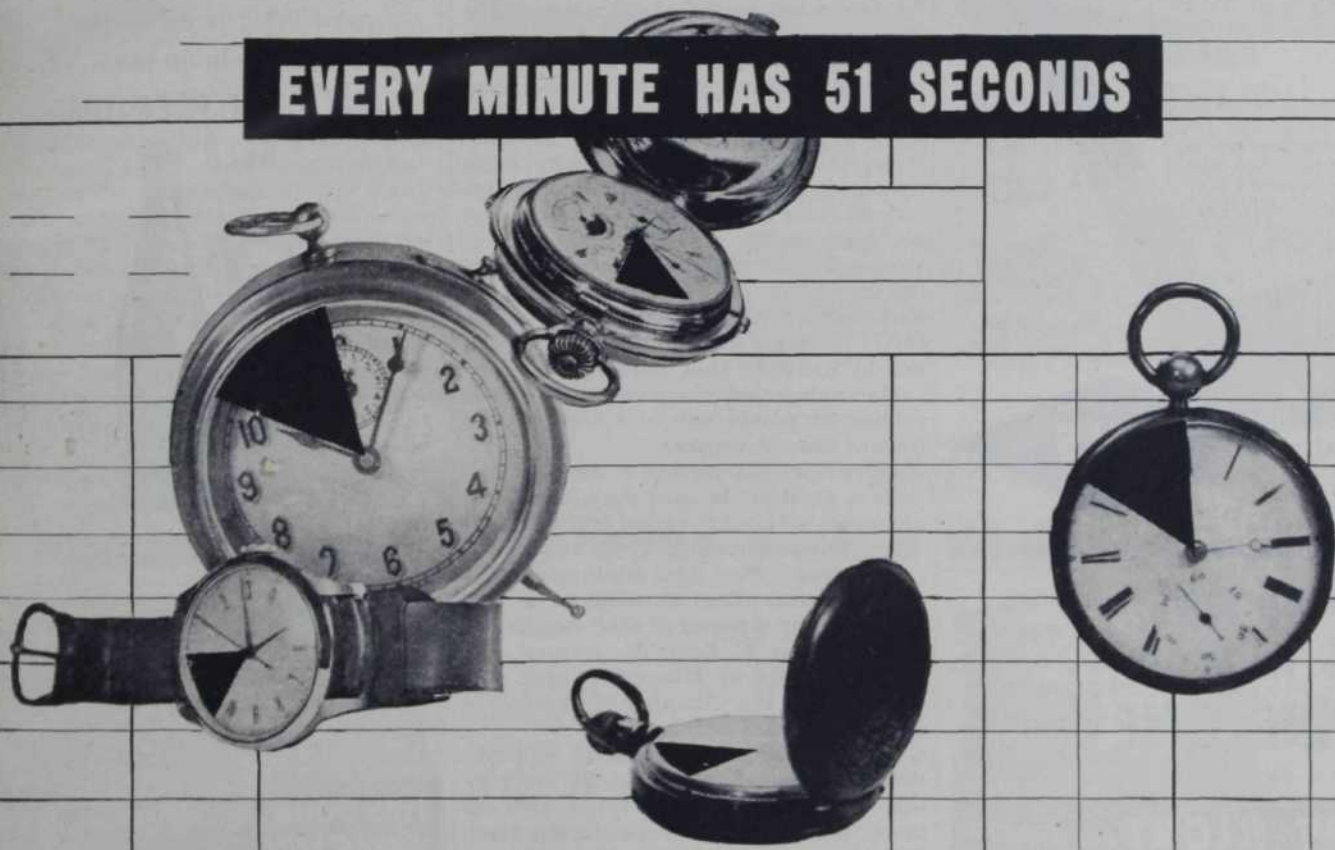
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system, in other words, was not designed to keep wages up, but to prevent layoffs and thus to mitigate the effects of a depression by assuring the continuance of production.

"We don't believe in a guaranteed annual wage any more than we believe in a fixed hourly wage rate," Henry L. Nunn, the president, has explained. "We believe that, if prices are too rigid and wages are too rigid management does not have enough flexibility to assure security to producers."

## Workers have other security

WHETHER American labor would prefer stabilized wages if it meant giving up some of the other gains it has won over the years, is not wholly clear. Some labor authorities point out that a considerable number of American workers have a good deal of security already. Some have attained it by seniority, some by acquiring special skills, some by loyalty to their employers. Social security, accident, health, unemployment and retirement insurance plans, special benefits for workers now in the armed forces and various other commitments voluntarily made by individual employers all act to increase that security.

Unemployment compensation, as one economist points out, is a sort of step toward annual wages.

Moreover, management already has done a good bit toward stabilizing employment without the goad of the annual wage. It can undoubtedly do more.

This was shown by a study made under American Legion auspices a few years ago by a research staff headed by Dr. Emerson P. Schmidt, formerly of the University of Minnesota, and now economist of the Chamber of Commerce of the United States.

Before trying to regularize employment, this survey revealed, 79 employers had required only 44 per cent as many man-hours of work during their dullest weeks as during their busiest weeks. They raised that percentage to 68. The average weekly man-hour requirements of these same employers throughout the year had been only 69 per cent as high as during the peak weeks. They raised that percentage to 84. These figures refer only to triumphs over seasonal fluctuations, but some of the techniques used were found to be applicable also to longer-range fluctuations.

Still other objections to the annual wage stem from the differing types of industry itself. With a few notable exceptions the successful efforts to guarantee work and wages have been made by producers of goods which are consumed in a comparatively short time.

One building contractor has succeeded in regularizing his activity sufficiently to pay his men by the year but, for the most part, the maker of durable goods finds it difficult to foresee his labor requirements.

Sometimes this is the fault of consumers, sometimes of the source of raw materials, sometimes of conditions gener-



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ally. Nature, for instance, apparently doesn't support an annual wage. Fishing and canning are notable examples of industries where the annual wage seems impossible of application.

In less seasonal fields, the demand for new ovens is likely to be less constant than the demand for bread. Sales of new automobiles fell off more severely in the depression than sales of gasoline. Many replacements, we have learned in this war, can be successfully postponed for a considerable time.

For all these reasons, opponents of guaranteed annual wages warn that the freedom which has given America its high standard of living would be lost if labor costs were frozen.

"The war," the CIO has argued, "is being fought in order that new freedoms shall be created for the people. One of the most basic freedoms involved is that of the right of an individual, ready and able to work, to have a job and a decent wage. The firm protection of this right through such an annual guarantee as requested by the union for the steel industry is the greatest assurance for the continuance of our free and democratic institutions."

The urgent necessity for the invention of some sound means of reducing the cost and misery of both seasonal and cyclical unemployment, in the production of both durable and nondurable goods and services, cannot be shrugged off.

Steady income desired

"THE wage earner," President Eric Johnston of the Chamber of Commerce of the United States has said, "must have greater continuity of income. He has fixed overhead costs, just as has the plant in which he works. He has rent, grocery bills, mortgage payments, light and water bills. He has hanging over him the haunting specter of mass unemployment to undermine our national morale. It is that fear which must be removed. . . . Management, in my judgment, can safely go further in providing security and continuity of employment than it has."

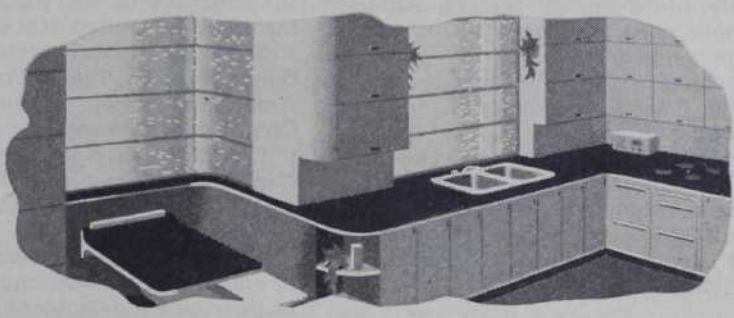
Having weighed the arguments, Dr. Schmidt has this advice to offer individual employers:

"Before entering into any kind of annual or flexible wage plan an employer should make the most careful statistical investigation of the past performance of his enterprise to discover a plan which will provide the maximum security for his employees and yet be practical in its operations." It may be feasible, he explains, to guarantee steady work to some, but not all, of a firm's employees; or to guarantee 40, 48 or some other number of weeks' pay. He does not regard 52 full weeks' wages each year as practical in all cases.

He recommends, too, that any plan adopted be subject to annual renewal and that provision be made for its suspension in case of strikes, fires, floods, explosions or other catastrophic circumstances.



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# World Business Plans Its Future

**B**ENT on maintaining free enterprise in postwar international trade, determined business men from Allied neutral and liberated nations doggedly overcame hardship and inconvenience to reach the International Business Conference at Rye, N. Y., to do some important spadework.

Some of them spent weeks getting there. One group traveled through heavily-mined enemy waters. Another willingly used mailbags full of soldier ballots as beds in an Army plane. A third fretted impatiently as days of bad weather delayed their takeoff for an air hop across the Atlantic.

But, in spite of these and other wartime difficulties, 350 business men from 52 nations managed to assemble under one roof to see what could be done to chart a course for a world resurgence of private enterprise.

## Planning free business

MOST of them had seen in recent years a slow, but steady, shift toward totalitarianism in some degree. As the end of global war approached, they wanted to take stock of the future. They knew that there can be no permanent military peace in a world of international economic conflict and that there can be no high level of prosperity and jobs in any country until international trade is restored and expanded.

As delegates to the conference, they set out to find a common meeting ground. They discussed eight general topics ranging from the overall theme of "free enterprise" to acquisition and disposition of raw materials and food stuffs.

After a week of both formal and informal discussions, the delegates reached conclusions on each of these eight subjects. The results constituted a reaffirmation of allegiance to the private enterprise system although, in the light of their own domestic customs and practices, many would realistically have phrased it:

"I am a firm believer in our own kind of free enterprise."

The fact remains that business men who had been out of contact with each other for months and years were drawn together. They brought themselves up to date. They renewed business contacts.

They sought a revival of foreign trade in an atmosphere as free as possible of government influence.

There were sharp differ-

ences of opinion between delegations; but those differences were over methods, not ultimate objectives. For all of the delegates realized that unless they agreed ultimately on general principles which they could advocate sincerely and well, governments might intervene and do their planning for them.

It was to forestall just such an eventuality that the IBC was convened under the auspices of the Chamber of Commerce of the United States, the National Association of Manufacturers, the National Foreign Trade Council and the American Section of the International Chamber of Commerce.

The most succinct appraisal of the Conference came from Sir Peter Bennett, one of the six British delegates. He said:

"Our differences are largely a matter of emphasis. We have made a start. Let us go back to our homes and get to work among ourselves and our fellow men. We have to talk to governments and government departments, and we have got to imbue them with our ideas. It is not going to be easy. It will take time. But that is no excuse for delay because this matter is urgent."

"It is up to us as business men of the world to do our own work and to use our influence so that we can press the government and work with them and work among ourselves and make business flow—flow as strongly as it can because I can see no other way in which the problems of the world can be really satisfactorily settled."

While long-range planning and strategy-making was the chief product of the Conference, the most tangible result was the fact that these business men, of many a tongue, race and creed, found large areas of agreement on all eight fundamental subjects on the Conference agenda.

For example, the Conference urged as

principles of private enterprise that governments recognize equality of opportunity, reward for initiative, privilege for thrift, restriction of monopoly, freedom of production and sale, and abstinence of government from competition with private business. It proposed that the International Chamber of Commerce and the Permanent Council of American Associations of Commerce and Production—a Western Hemisphere organization—take the lead in advocating these and similar principles.

## Opposed trade barriers

ON the specific question of cartels, the Conference recommended that governments consider the effect of such agreements on employment, living standards, industrial development, prices, and volume and flow of trade. For the sake of economic cooperation, the governments were urged to "reconcile their views and practices in regard to these agreements" and "establish rules and standards to govern such agreements in international trade."

The delegates properly took the position that production, processing and distribution of raw materials and food-stuffs should be the responsibility of private management and operation. They proposed that elimination of trade barriers and of all discrimination be made a cardinal point of national and international policies.

When private capital is invested in another country, the delegates recommended that it be associated with local capital, and that equitable tax principles should govern such movement. There was a strong plea for industrialization of new areas. The delegates recommended that the world keep gold as a postwar monetary metal and use it as a "constituent part of the postwar monetary system."

A report on commercial policies of nations recommended a multilateral trade convention, ten-year treaties of commerce, an international economic charter and an international economic organization which would coordinate national commercial policies with provisions of the Economic Charter.

A voluminous report on transportation and communication put the Conference on record in favor of multilateral agreements by which private organizations would provide adequate and economical service for un-





interrupted and orderly flow of international trade; and for definite restrictions on postwar shipping and ship-building activities of aggressor nations.

Such were the declarations of the International Business Conference. They did not propose to bind the businessmen-delegates. They did not commit the organizations represented.

They did fit into the pattern of international postwar planning at Dumbarton Oaks, Bretton Woods and Hot Springs. But there was this difference: business organizations chose the representatives for the Rye Conference; governments appointed the representatives for the others.

Invitations were extended to business organizations in 52 nations. All 52 invitations were accepted. All 52 delegations participated.

It was postwar planning for expanded foreign trade on a grand scale. The stakes are high. The going may be difficult.

"It is what we agreed upon that is of significance and importance to the politicians," said one member of the United States delegation.

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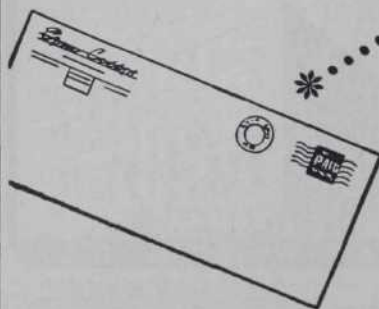
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## Profits, Not Favors, for Small Business

(Continued from page 22)

equipment were all provided. A little Massachusetts outfit which formerly made ornate woodwork for churches now builds plywood antenna housing for aircraft radios; a pencil company manufactures coils and electrical assemblies. And one Connecticut subcontractor, formerly employing around 50 workers in a small machine shop-garage, now has 750 workers in its expanded plant!

Throughout industry I discovered astonishing evidences of the part small business has played in every type of war production. The Bethlehem Steel Company, for example, not long ago made a detailed survey of its subcontractors and suppliers. Included were shoe machinery firms, an oil burner concern and a company formerly making machines to cube steaks. Altogether, Bethlehem counted more than 30,000 suppliers providing materials used in the steel and ships the company turns out.

### Big companies need small ones

HOW many small business organizations have been enormously expanded by such big company assistance no one knows, but the total must run to the tens of thousands. One such concern is the Falls Screw Products Co. of Cuyahoga Falls, Ohio. Early in 1941, the B. F. Goodrich Co. was seeking machining sources for forgings used in half-tracks. B. F. Goodrich had invented and pioneered. Falls Screw had about 30 employees. B. F. Goodrich procured new and second-hand equipment for the little company, designed jigs and fixtures, provided engineering consultants. Today the B. F. Goodrich Company receives more than a quarter million machined parts a month from this one source—and the little company now has 200 employees working three shifts a day, seven days a week.

Nor are such relationships limited to industry. Distribution has them, too. For instance, 340 independently owned shoe stores are operating today under what is known as the "Brown Store Plan," begun 25 years ago by the Brown Shoe Co., St. Louis. Under the arrangement, the store agrees to stock none but Brown Company shoes. In return the company puts its knowledge and experience at the retailer's service. Brown auditors check his books and stocks twice a year, Brown men assist in the selection of lines, sizes and stocks carried, Brown advertising men assist in the dealer's promotion efforts. As a result, more than 90 per cent of the dealers in the plan "make money" as against 25 per cent of shoe dealers generally.

In the hardware field, 325 independent retailers have been helped by the Dealers' Service Program launched in 1935

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# Fyr-Fyter



by Hibbard, Spencer, Bartlett & Co., Chicago wholesalers. The company—which started as a business so small that the founder frequently stood in the front door to hand overtime workers 50 cents for supper—has set up an eight-point service plan under which a staff of highly trained retail experts attends to every phase of a retailer's problems from merchandise to fixtures.

Realizing that rationing and shortages of merchandise could mean hardships to the drug and grocery stores among its dealers, the National Dairy Products Corp. launched a wartime dealer-assistance program which included training films and schools for employees, special recipes and timely bulletins.

Will big and little companies continue to collaborate after the war? The answer is that they always have collaborated and that continuing teamwork—even though not on the present lavish scale—will still be the rule after the war is won. Big business recognizes that little business is actually a big business in itself. With only 270 U. S. counties boasting cities with population of 50,000 or more, the remaining 2,800 counties depend almost entirely on small business.

To sell its products in those 2,800 counties, obviously big business must work in harmony with its junior partner.

Given a 50-50 break, small business can take care of itself. Recently DeWitt Emery, president of the National Small Business Men's Association, said:

"The small business men of this country do not want anyone, the Government least of all, to hold an umbrella over them. What the small business men want are conditions under which they have a fair chance to operate their respective businesses with a reasonable expectation of profit."

That seems to be the feeling of most small business men. Certainly they don't want more government loan agencies after the war—and more government control—half as much as they want a lessening of bureaucratic meddling.



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# LOOKING AHEAD



**N**ew ideas and new devices come thick and fast in wartime. America's manufacturers have worked tooth and nail with the Army and Navy to produce all the modern equipment the armed forces need.

Among these manufacturers is Lear. The Lear aircraft radio was well known long before the war. It was ready for the armed forces when war came. Then Lear explored new fields and produced the special Lear midget motors, the Fastop Clutch, and Lear Actuators which make it possible to move airplanes' flaps, shutters and landing gears accurately by electricity.

All Lear wartime developments couldn't be mentioned here. Many of them and the engineering ingenuity which produced them will be turned to peacetime conveniences and pleasures.

For example, there will be the new Lear home radios — instruments built with the integrity demanded by aircraft radio, and equipped with features unknown in such sets before.

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# Capital Scenes... and What's Behind Them



## Goose bone prophecies?

"HE STIRRED a lot of ipecac in cups of tea," said one of the sardonic thinkers on Capitol Hill speaking of former Secretary Hull.

There are some who say that, when he was really stirred up, Mr. Hull would talk back to God Almighty. Irreverent, of course, but maybe accurate. No wonder there is a distinctly cheerful tone in some of the lamentations over him.

## The case of Prince Otto

THE Hull comment on Prince Otto of Hapsburg, the Austrian pretender, might be cited. It might be apocryphal. Mr. Hull certainly would not confirm it.

He would look at the questioner out of his sad eyes and not even smile. But the story goes that, when Otto was the guest of honor at most of the really lovely cocktail parties about Washington, some one asked Hull: "What do you think of Prince Otto?" "Right nice young squirt," said the old gentleman from the mountains. "Nobody to get excited about."

## God save the kings

NO doubt he helped to cool down the Washington fervor for royalty. There was a time when a proposal to declare a National King Week would have been approved in some of our dizzier circles. The only reason why the ladies did not curtsy to Otto was that some of the older ones could not discourtesy again, if that is the proper word for it. Especially after the third round.

"None of our business," said Mr. Hull on one occasion, "whether the young feller gets his throne back. Hell's delirium."

That's the way the story goes, anyhow. Most of us plainer common people seemed to feel the same way about royalty. It was funny to watch the faces of those who filled the lobby the day Prince Otto took lunch with the National Press Club. (Fruit cocktail, fried chicken, apple pie and coffee. Good enough for anyone.) The girls squealed, of course, but the feeling seemed to be that Otto was a good kid, and so what?

## Keep an eye on them

THE sardonic old gentleman on Capitol Hill thinks we may be forced to reverse

our attitude. "I don't know anything about it," he said. "Only what I hear. And shucks, you can hear anything."

But he hears that Otto has been given some kind of assurances by some one. Or maybe some one is just playing a hunch. Anyhow, he hears that some one has staked Otto to enough money to keep his campaign going for a while longer. But the odds are shortening on royalty in general. Not so long ago the royal entries in the European derby seemed to be suffering from cracked hooves.

Nowadays some kings might be worth a play in the winter book.

## Funny as a crutch

THERE is George of Greece, for example. So far as the observers on The Hill have been informed no one ever did care the worth of a beaverskin about George. A beaverskin, for those interested, had a definite value in early American finance. Not that George wasn't a good fellow, perhaps, but the Greeks did not seem to want him. They fought a pretty good war without him.

When he proposed to come back and put his crown on again and send the royal ermine out to the cleaners the Greeks said:

"If the most of us say so, yes. But you can't just move in on us like you did before. We have been fighting a war for freedom—"

## Unrest on the Hill

BUT IT may be that George will be put on his throne again. Britain wants him there, on the theory that kings are always conservative and safe. Exception might be taken in the case of Carol of Rumania, who was brushed off at New Orleans when he tried to land for a round of the night clubs. But he can be made safe, especially if Gospodin Stalin interests himself.

The gossip is that Stalin may put Carol back on his throne, in which case Carol will be lucky if he gets a Thursday night out. It is not likely we will be called on to fight for Carol, because Rumania seems not to be in our sphere of influence.

It may be our sad duty to put a prop under the House of Savoy in Italy. Britain definitely wants the royal family re-throned and if it all seems rather sur-

prising out in Marysville, Ohio, that is too bad. We may have our National Kings' Week yet.

## Selassie's a problem

THERE will be an inquiry on Capitol Hill into these kingly troubles when the new Congress gets fairly settled in its seat. There will be other inquiries also. Of course. A lot of things have been going on about which Congress and the people have not been informed. That is the burden of the complaint. There may be no reasonable objection to any of them.

War makes stranger bedfellows than politics.

Look at Haile Selassie, for instance. He was a certified prewar sufferer. Italy took his kingdom of Ethiopia. Then Italy became our enemy.

Now it is gossiped that Britain will take a couple of Haile's prewar provinces and Italy will be rewarded for getting licked by some of the others and Haile will get what the boy shot at. Puzzling. Do we fight to save a king? Fight whom?

## Some of the others

THERE is little King Peter of Jugoslavia for another. Offhand it seems likely that, in the new set-up, Serbia will be in a minority and Peter is a Serb. Worse yet it seems that Peter is in a minority in Serbia.

"Does he get his trinkets back?" is the query in some rather important quarters on The Hill. "Not that we care a peanut about Peter. But what part do we play in this game? How come we find ourselves being asked to help put some little kings back on their thrones? And all of a sudden being kind of cold to the people who fought the Nazis. Some of us from the brush districts do not understand how British tanks are frowning down on the men who resisted the invaders and in this way helping the men who collaborated with them."

In these quarters it is held that, if we were only told what is going on, we might understand. It seems in these quarters that all we see is the dotted line. If we were told, though, we might like it.

## Queries of convalescence

THESE queries about royalty and will we or won't we are merely evidences that we are sitting up in bed after a mighty sharp sickness and are beginning to notice things. We are getting over our first confusion. One of the foremost men in the Government and in industry, who has been able to see just what was going on, said the other day:

"I do not see yet what saved us. We were so incredibly weak. I tell you that, if Hitler had not been a fool, he could







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have swept down on us and licked us in the first few days of the war. Suppose he had assailed us instead of Poland?

What could we have done about it? New York gone, New Orleans seized, Philadelphia held by the storm troopers—

"Now we are the strongest military power the world has ever known. In all reverence, I believe that we were saved by God."

### Pike County ballads

HE ASKED if John Hay's rhyme about Little Breeches had been forgotten? It was the story of the child lost in a snow-storm, and finally found asleep and warm in the sheep barn.

*How did he git thar? Angels.*

*He could never have walked in the storm.*

*But angels jest swooped down and toted him*

*To whar it was safe and warm—*

The speaker is not a religious man, either. He is regarded as hard-boiled. But he could only see one Power behind the miracle.

### Some other questions

AN inquiry into the past and present operations of lend-lease is certain. The new Congress will not attempt to interfere with the military aid which is being given to Britain and other allies. The inquiry, according to informed leaders, will be broadened:



One query will be:

"Is it being sug-

gested that money be taken out of the pockets of the individual American and given to the individual Briton, as a measure of postwar aid? That is what it boils down to if our industry is handicapped to help Britain's postwar position."

Another query will be:

"Just how much have we let ourselves in for in our promises to all the world? Let's look at the record. If we get the facts, we can then decide whether we can afford it."

And still another:

"Is it Peace Forever we are buying or just another Balance of Power?"

The net of the whole thing is that Congress wants to know. So responsible leaders say.

### Viva la Joe Grew

"JOE" GREW must know that people speak of him as Joe behind his back. Here and there are those who Joe him right to his face. He would always be pleasant, having been a diplomat for a generation, but he might sustain a slight mental reservation. Like the time when he was second in the embassy at Berlin, in the early days of the First War. The German Secretary of State—sorry, the

name eludes at the moment—gave Mr. Grew an appointment. Mr. Grew appeared. He sat. No Secretary. It became evident to Mr. Grew that the Secretary was giving the *verdammt Amerikanischer* the stand-up treatment. Teach him his place. Mr. Grew kicked back his chair and started out. In the eyes of the chancellery clerks this was high treason:



"Blease—blease,"

they begged. "Der Herr Segretary will see you bresently—"

Mr. Grew fairly cooed:

"Please convey my compliments to the Herr Secretary. And say to him that I will see him when he calls at the American Embassy. Until then—"

He was pretty hot stuff in Berlin from then on.

### Royalties in the raw

THE moral appears to be that Mr. Grew has seen European royalties in their bathing suits, so to speak. And foreign diplomats and chiefs of state.

Those who know the newly appointed Undersecretary of State think the thermometers in Hades will be dripping icicles the day that any one of them fools him.

Being on the ground, too, it will be easier for him to get his convictions home than it was during the ten years in which he sounded warnings from Tokyo.

Theory seems to be that Stettinius will look after business in general, Dean Acheson will give the purr to Congress, and Joe Grew will run interference between the United States and the fancy political planners.

The President, of course, will in fact be his own Secretary of State. He always has been.

### We'll bet our hand

FEELING among some of those in the know is that this country is getting ready to play its hand in European affairs.

We have been holding high cards, they say, but we have not known their value politically.

This has been due in part to a natural desire to avoid offending our allies; in part to an uncertainty as to the policy which should be pursued; and in part to a lack of information from our representatives abroad:

"Some of them have been eating at the second table."

There will be a shake-up in Europe, along the lines directed by the President in the State Department and put through by Stettinius with a kind of muted whoop.

But it is not yet certain what our coming policy will be—or no certainty has yet developed—and, this world being a realistic one, it may appear that, whether we like it or not, our hand will be full of kings.



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Which way from the peace table?  
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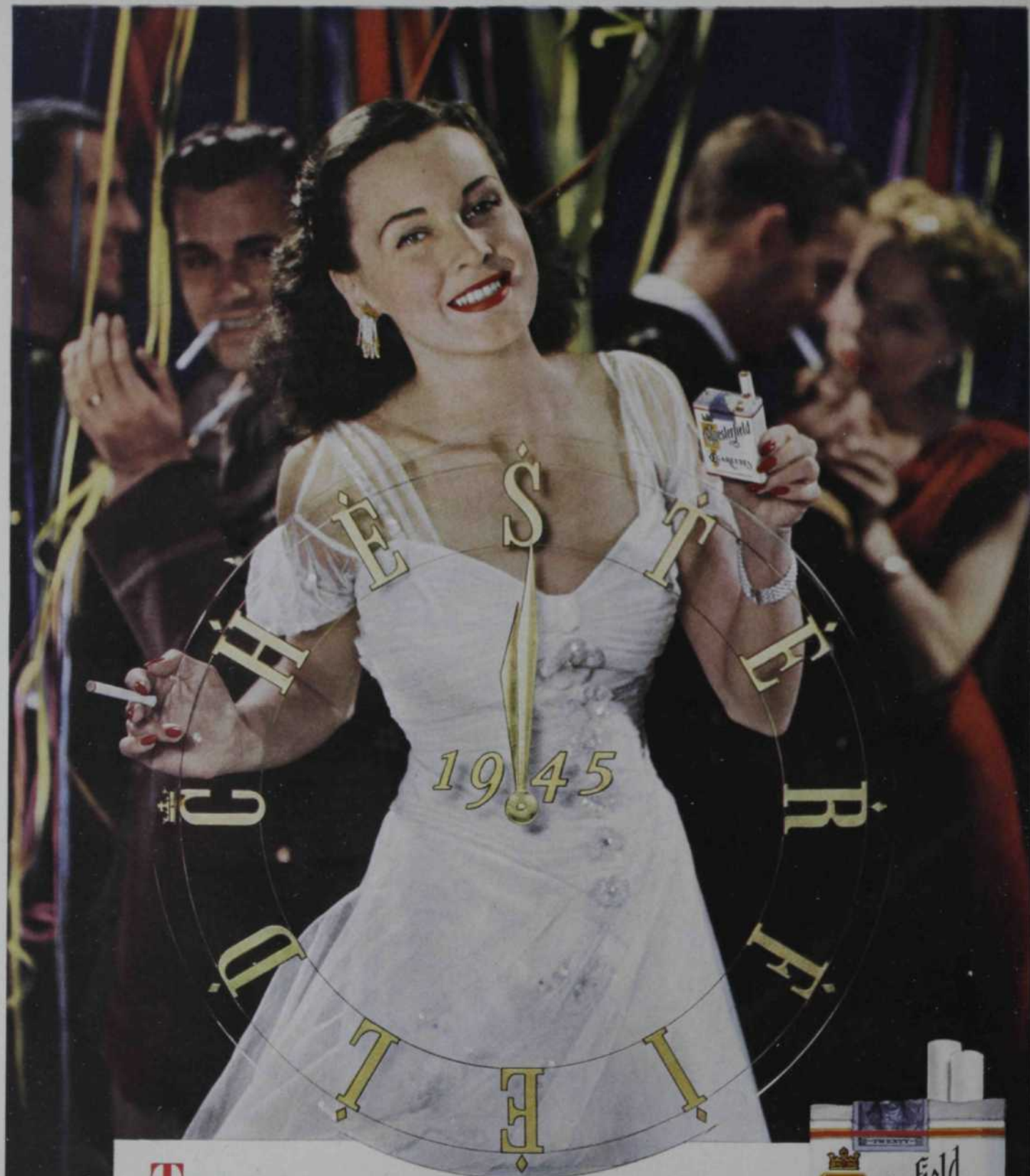


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